

RAILROAD ACCOUNTS AND STATISTICS

BY

CHAS. E. WERMUTH, C.P.A.

MEMBER AMERICAN INSTITUTE OF ACCOUNTANTS
FORMERLY AUDITOR SOUTHERN PACIFIC CO., ATLANTIC SYSTEM
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DEDICATED
In Grateful Remembrance
to My Friend and Teacher
WM. MAHL

PREFACE

WHILE much has been published concerning progress in certain of the arts and sciences, little has been written descriptive of the wonderful advancement and improvement in railroad transportation in this country, and particularly with regard to the development of its accounting information, and the records and routine leading to the production of dependable and comparable financial and statistical data.

It is an interesting fact that railroad accounting has kept pace with the growth of the transportation systems of the United States, and owing largely to this fact, there is an excellent spirit of co-operation between the investing public and the operating executives of the railroads, which has resulted in the development of a railroad service in this country that is unsurpassed in the world.

Service implies co-operation and proficiency. Proficiency has many phases and requirements, and its principal manifestation in our present-day railroad accounting methods is the orderly classifications and refinements of operation calculated to reflect responsibility and the progress of the economies to be achieved.

Frequent reference is made in this book to the classifications of accounts prescribed by the Interstate Commerce Commission, the full text of which is appended. Classifications of accounts, although not uniform, were used in practically every important railroad system prior to 1887 when the Interstate Commerce Commission was created. From these classifications, the present uniform classifications, which comprise the entire accounting refinements, were developed. Credit for this work is due equally to the Interstate Commerce Commission and to the Association of American Railway Accounting Officers.

The primary object of this volume is to provide, in condensed form, a practical outline of present-day railroad accounting details and the description of their assembling to the completed financial statement; also, the theory and mathematics underlying the preparation of comparative statistical data,

with illustrations and details concerning the same. The material used is reliable, and every effort has been made to present it in a simple and complete manner.

This work is submitted with the hope that it will commend itself to railroad executives, students, and others interested in railroad finance and accounting.

CHAS. E. WERMUTH

NOTE

The figures used in the exhibits presented in Parts Two and Three of this book are assumed to be for one year.

In order to enable the reader to follow all transactions through from the various reports into these exhibits, the same figures have been used in the illustrations of the monthly accounts, summaries, and journal entries in Part One.

The detail of classification of accounts, and train, locomotive, and car miles, may be revised by the Interstate Commerce Commission from time to time to meet ever-changing conditions, but the principle remains fixed.

The principle laid down in this book likewise remains constant and is applicable to any classification that may be issued.

The book can be kept up to date by the addition of any new classification that may be issued from time to time.

Classifications may be obtained from the Superintendent of Documents at Washington, D. C.

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graph TD
    Public[THE PUBLIC] --- Bondholders[BONDHOLDERS]
    Public --- Stockholders[STOCKHOLDERS]
    Public --- Patrons[PATRONS]
    Bondholders --- FSC[FEDERAL SUPERVISION  
INTERSTATE COMMERCE COMMISSION]
    Stockholders --- FSC
    Patrons --- FSC
    FSC --- Board[BOARD OF DIRECTORS]
    Board --- Exec[EXECUTIVE COMMITTEE]
    Exec --- President[PRESIDENT]
    President --- Traffic[DIRECTOR OF TRAFFIC, OR  
TRAFFIC MANAGER]
    President --- Freight[GENERAL FREIGHT AGENT]
    President --- Accounts[DIRECTOR OF ACCOUNTS &  
FINANCE, OR COMPTROLLER]
    President --- Maintenance[DIRECTOR OF MAINTENANCE &  
OPERATION, OR GENERAL MANAGER]
    President --- Auditor[AUDITOR]
    Traffic --- GenTraffic[GENERAL PASSENGER AGENT]
    Traffic --- DivTraffic[DIVISION OF  
PASSENGER AGENTS]
    DivTraffic --- DivTraffic1[DIVISION  
PASSENGER AGENTS]
    DivTraffic1 --- DivTraffic2[GENERAL  
PASSENGER AGENT]
    Freight --- GenFreight[GENERAL FREIGHT AGENT]
    Freight --- DivFreight[DIVISION  
FREIGHT AGENTS]
    DivFreight --- DivFreight1[FREIGHT  
CLAIM AGENT]
    Accounts --- Auditor
    Auditor --- DivAccounts[DIVISION  
ACCOUNTS]
    Auditor --- DivAccounts1[DIVISION  
PASSENGER AGENTS]
    DivAccounts --- DivAccounts2[AUDITOR  
OF PASSENGERS]
    DivAccounts2 --- Auditor1[AUDITOR]
    Auditor1 --- Treasurer[TREASURER]
    Maintenance --- Engineer[ENGINEER  
MAINT. & STRUCTURES]
    Maintenance --- Superintendent1[SUPERINTENDENT  
MOTIVE POWER]
    Maintenance --- Superintendent2[SUPERINTENDENT  
TRANSPORTATION]
    Engineer --- DivisionEngineer[DIVISION  
ENGINEER]
    DivisionEngineer --- RoadMaster[ROAD  
MASTER]
    Superintendent1 --- MasterMechanic[MASTER  
MECHANIC]
    MasterMechanic --- MasterCarBuilder[MASTER  
CAR BUILDER]
    Superintendent2 --- DivisionSuperintendent[DIVISION  
SUPERINTENDENT]
    DivisionSuperintendent --- StationAgents[STATION  
AGENTS]
  
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PART ONE
RAILROAD ACCOUNTS

CHAPTER I

GENERAL ACCOUNTS

The accounting refinements and details in use by railroad corporations are prescribed by the Interstate Commerce Commission in accordance with Section 20 of the Act to Regulate Commerce, and do not differ in principle from the system employed by industrial corporations. The accounts are divided into two main classes:

1. Accounts with revenues and expenses, designated by the Interstate Commerce Commission as "Income and Profit and Loss Accounts," and reflected in a railroad report in the income and profit and loss statement.

2. Accounts with assets and liabilities, designated by the Interstate Commerce Commission as "General Balance Sheet Accounts," and reflected in a railroad report in the financial statement or balance sheet.

The instructions issued by the Interstate Commerce Commission in respect to these accounts are contained in "Classification of Income, Profit and Loss and General Balance Sheet Accounts for Steam Roads, Issue of 1914." (See Appendix A.)

A. Income Accounts

Income accounts are defined by the Interstate Commerce Commission as the accounts designated to show, for each fiscal period, the total amount of money to which the railroad becomes entitled for services rendered, the returns accrued upon investments, the accrued costs paid or payable for the services rendered, the losses sustained, the amounts accrued for taxes, for use of moneys and for use of properties of others, and the appropriations made from the income during the period. The headings of the accounts are as on the following page.

CREDITS

- 501. Railway operating revenues.
- 502. Revenues from miscellaneous operations.
- 503. Hire of freight cars—credit balance.
- 504. Rent from locomotives.
- 505. Rent from passenger-train cars.
- 506. Rent from floating equipment.
- 507. Rent from work equipment.
- 508. Joint facility rent income.
- 509. Income from lease of road.
- 510. Miscellaneous rent income.
- 511. Miscellaneous non-operating physical property.
- 512. Separately operated properties—Profit.
- 513. Dividend income.
- 514. Income from funded securities.
- 515. Income from unfunded securities and accounts.
- 516. Income from sinking and other reserve funds.
- 517. Release of premiums on funded debt.
- 518. Contributions from other companies.
- 519. Miscellaneous income.

DEBITS

- 531. Railway operating expenses.
- 532. Railway tax accruals.
- 533. Uncollectible railway revenues.
- 534. Expenses of miscellaneous operations.
- 535. Taxes on miscellaneous operating property.
- 536. Hire of freight cars—debit balance.
- 537. Rent for locomotives.
- 538. Rent for passenger-train cars.
- 539. Rent for floating equipment.
- 540. Rent for work equipment.
- 541. Joint facilities rents.
- 542. Rent for leased roads.
- 543. Miscellaneous rents.
- 544. Miscellaneous tax accruals.
- 545. Separately-operated properties—Loss.
- 546. Interest on funded debt.
- 547. Interest on unfunded debt.
- 548. Amortization of discount on funded debt.
- 549. Maintenance of investment organization.
- 550. Income transferred to other companies.
- 551. Miscellaneous income charges.
- 552. Income applied to sinking and other reserve funds.
- 553. Dividend appropriation of income.
- 554. Income appropriated for investment in physical property.
- 555. Stock discount extinguished through income.
- 556. Miscellaneous appropriations of income.

Railway operating revenues are subdivided in accordance with "Classification of Operating Revenues and Operating Expenses, Effective July 1, 1914." (See Appendix B)

The credit and debit balances of the income accounts are assembled in a statement designated as the "Income Account," which shows the net income or loss from the operations for the fiscal period and the application of the same.

(For form of income account see page 133 of Appendix A)

B. Profit and Loss Accounts

Profit and Loss accounts are defined by the Interstate Commerce Commission as the accounts designated to show the changes in the corporate surplus or deficit during each fiscal period, as effected by the operations and business transactions during the period, by any disposition of net profits made, by accounting adjustments of matters not properly attributable to the period, or by miscellaneous gains or losses not provided for elsewhere; and to show also the unappropriated surplus of the carrier at the date of the balance sheet.

The headings of the accounts are as follows:

CREDITS

- 601. Credit balance at beginning of fiscal period.
- 602. Credit balance transferred from income.
- 603. Profit on road and equipment sold.
- 604. Delayed income credits.
- 605. Unrefundable overcharges.
- 606. Donations.
- 607. Miscellaneous credits.

DEBITS

- 611. Debit balance at beginning of fiscal period.
- 612. Debit balance transferred from income.
- 613. Surplus applied to sinking and other reserve funds.
- 614. Dividend appropriations of surplus.
- 615. Surplus appropriated for investment in physical property.
- 616. Stock discount extinguished through surplus.
- 617. Debt discount extinguished through surplus.
- 618. Miscellaneous appropriations of surplus.
- 619. Loss on retired road and equipment.
- 620. Delayed income debits.
- 621. Miscellaneous debits.

The credit and debit balances of the Profit and Loss accounts are assembled in a statement designated as the "Profit and Loss Account," which shows the surplus or deficit carried over from the preceding period, the surplus income or loss from the operations for the period, profits or losses applicable to the previous period, and the surplus or deficit at the end of the period.

C. General Balance Sheet Accounts

The general balance sheet accounts are those showing the assets, liabilities and corporate surplus or deficit of the business.

Following are the headings of the accounts:

DEBITS

- 701. Investment in road and equipment.
- 702. Improvements on leased railway property.
- 703. Sinking funds.
- 704. Deposits in lieu of mortgage property sold.
- 705. Miscellaneous physical property.
- 706. Investments in affiliated companies.
- 707. Other investments.
- 708. Cash
- 709. Demand loans and deposits.
- 710. Time drafts and deposits.
- 711. Special deposits.
- 712. Loans and bills receivable.
- 713. Traffic and car-service balances receivable.
- 714. Net balances receivable from agents and conductors.
- 715. Miscellaneous accounts receivable.
- 716. Material and supplies.
- 717. Interest and dividends receivable.
- 718. Rents receivable.
- 719. Other current assets.
- 720. Working fund advances.
- 721. Insurance and other funds.
- 722. Other deferred assets.
- 723. Rents and insurance premiums paid in advance.
- 724. Discount on capital stock.
- 725. Discount on funded debt.
- 726. Property abandoned chargeable to operating expenses.
- 727. Other unadjusted debits.
- 728. Securities issued or assumed—Unpledged.
- 729. Securities issued or assumed—Pledged.

CREDITS

- 751. Capital stock.
- 752. Stock liability for conversion.
- 753. Premium on capital stock.
- 754. Grants in aid of construction.
- 755. Funded debt unmatured.
- 756. Receivers' certificates.
- 757. Non-negotiable debt to affiliated companies.
- 758. Loans and bills payable.
- 759. Traffic and car service balances payable.
- 760. Audited accounts and wages payable.
- 761. Miscellaneous accounts payable.
- 762. Interest matured unpaid.
- 763. Dividends matured unpaid.
- 764. Funded debt matured unpaid.

GENERAL ACCOUNTS

- 765. Unmatured dividends declared.
- 766. Unmatured interest accrued.
- 767. Unmatured rents accrued.
- 768. Other current liabilities.
- 769. Liability for provident funds.
- 770. Other deferred liabilities.
- 771. Tax liability.
- 772. Premium on funded debt.
- 773. Insurance and casualty reserves.
- 774. Operating reserves.
- 775. Accrued depreciation—Road.
- 776. Accrued depreciation—Equipment.
- 777. Accrued depreciation—Miscellaneous physical property.
- 778. Other unadjusted credits.
- 779. Additions to property through income and surplus.
- 780. Funded debt retired through income and surplus.
- 781. Sinking fund reserves.
- 782. Miscellaneous fund reserves.
- 783. Appropriated surplus not specifically invested.
- 784. Profit and loss—Balance.

Charges to "Investment in Road and Equipment" are subdivided as follows:

I. ROAD

- 1. Engineering.
- 2. Land for transportation purposes.
- 3. Grading.
- 4. Underground power tubes.
- 5. Tunnels and subways.
- 6. Bridges, trestles and culverts.
- 7. Elevated structures.
- 8. Ties.
- 9. Rails.
- 10. Other track material.
- 11. Ballast.
- 12. Track laying and surfacing.
- 13. Right-of-way fences.
- 14. Snow and sand fences and snowsheds.
- 15. Crossings and signs.
- 16. Station and office buildings.
- 17. Roadway buildings.
- 18. Water stations.
- 19. Fuel stations.
- 20. Shops and engine houses.
- 21. Grain elevators.
- 22. Storage warehouses.
- 23. Wharves and docks.
- 24. Coal and ore wharves.
- 25. Gas producing plants.
- 26. Telegraph and telephone lines.
- 27. Signals and interlockers.
- 28. Power dams, canals, and pipe lines.
- 29. Power plant buildings.
- 30. Power substation buildings.

31. Power transmission systems.
32. Power distribution systems.
33. Power line poles and fixtures.
34. Underground conduits.
35. Miscellaneous structures.
36. Paving.
37. Roadway machines.
38. Roadway small tools.
39. Assessments for public improvements.
40. Revenues and operating expenses during construction.
41. Cost of road purchased.
42. Reconstruction of road purchased.
43. Other expenditures—Road.
44. Shop machinery.
45. Power plant machinery.
46. Power sub-station apparatus.
47. Unapplied construction material and supplies.

II. EQUIPMENT

51. Steam locomotives.
52. Other locomotives.
53. Freight-train cars.
54. Passenger-train cars.
55. Motor equipment of cars.
56. Floating equipment.
57. Work equipment.
58. Miscellaneous equipment.

III. GENERAL EXPENDITURES

71. Organization expenses.
72. General officers and clerks.
73. Law.
74. Stationery and printing.
75. Taxes.
76. Interest during construction.
77. Other expenditures—General.

If the total cost of additions and betterments to any class of equipment, or any class of fixed improvements (except additional or extension of track), under a general plan, considered as a whole, is less than \$100, the amount expended must be charged to the appropriate account in operating expenses. This rule is not to be construed as authorizing the parceling of expenditures in order to bring them within this limit. (See "Interstate Commerce Commission Classification of Investment in Road and Equipment, Effective July 14th, 1914," Appendix C.)

The credit and debit balances of the general balance sheet accounts are assembled in a statement designated as the "Gen-

eral Balance Sheet," which shows the assets, liabilities and the accumulated surplus or deficit as of the date at which the accounts are closed.

(For form of general balance sheet see page 159 of Appendix A)

CHAPTER II

REVENUE ACCOUNTS

A. Operating Revenues

The revenues of railroads are derived from the transportation of freight, passengers, mail, and express; the operation of sleeping cars, dining cars, floating equipment, rentals, and from miscellaneous other sources.

Under the classification prescribed by the Interstate Commerce Commission, the operating revenues are divided into four main divisions:

(1), Transportation—Rail-line. (2) Transportation—Water-line. (3) Incidental. (4) Joint facility.

1. Transportation—Rail line.—Under this general heading are included revenues to which the railroad becomes entitled, or which accrue to its benefit from service rendered in transporting property or persons over its rail lines, subdivided as follows:

101. Freight.
102. Passenger.
103. Excess baggage.
104. Sleeping car.
105. Parlor and chair car.
106. Mail.
107. Express
108. Other passenger-train revenue.
109. Milk.
110. Switching.
111. Special service trains.
112. Other freight-train revenue.
113. Water transfers—Freight.
114. Water transfers—Passenger.
115. Water transfers—Vehicles and live stock.
116. Water transfers—Other.

2. Transportation—Water line.—Under this general heading are included revenues to which the railroad becomes entitled, or which accrue to it from service rendered in transporting property or persons over water lines which may be operated in connection with the rail lines, subdivided as follows:

- 121. Freight.
- 122. Passenger.
- 123. Excess baggage.
- 124. Other passenger service.
- 125. Mail.
- 126. Express.
- 127. Special service.
- 128. Other.

3. Incidental.—Under this general heading are included revenues to which the railroad becomes entitled, or which accrue to it from service rendered, co-incident with rail or water-line transportation, for the use of facilities of which the expenses for maintenance and operation are not separable from railway expenses, and from incidental sources not provided for elsewhere, subdivided as follows:

- 131. Dining and buffet.
- 132. Hotel and restaurant.
- 133. Station train and boat privileges.
- 134. Parcel room.
- 135. Storage—Freight.
- 136. Storage—Baggage.
- 137. Demurrage.
- 138. Telegraph and telephone.
- 139. Grain elevator.
- 140. Stock yards.
- 141. Power.
- 142. Rents of buildings and other property.
- 143. Miscellaneous.

4. Joint facility.—Under this general heading are shown the railroad's proportion of revenues collected by others and the proportion due others of revenue collected by the railroad in connection with the operation of joint tracks, yards, terminals and other facilities, subdivided as follows:

- 151. Joint Facility—Cr.
- 152. Joint facility—Dr.

The instructions issued by the Interstate Commerce Commission in respect to these accounts will be found in "Classification of Operating Revenue and Operating Expenses, Effective July 1st, 1914." (See Appendix B)

B. Freight Accounts

1. General.—To obtain a clear understanding of freight accounting methods, a brief explanation is necessary as to the manner in which the freight traffic is handled.

Goods are delivered to the railroad for transportation with a shipping order. The shipping order is made in duplicate and shows the name of the consignor, consignee, destination, description of goods and weight. Upon delivery of the goods to the railroad, the agent receipts for the same on the original shipping order, retaining the duplicate for loading and way-billing purposes. At destination the goods are delivered to consignee upon payment of the charges on a detailed freight bill.

If desired by shippers, a bill of lading is issued on surrender of the shipping order. This document is similar in form to the marine bill of lading and is transferable by endorsement, and its possession gives the holder the legal right to dispose of the goods.

The shipment is accompanied from point of origin to destination by the way-bill, which performs the same function in the transportation of freight as the passage ticket performs in the transportation of passengers. It contains all information necessary for the identification of the goods and the assessment of the charges; namely, point of origin, destination, name of consignor and consignee, description of goods, weight, charges and initial and number of car in which the goods are loaded. Separate forms of way-bills are used for carloads and for less-than-carload shipments. Special forms of way-bills are provided for shipments of live stock and shipments requiring preferred movement.

The way-bill is made out at the shipping point in accordance with the shipping order; after the weight has been ascertained, the rate assessed, the freight charges extended, and the initial and number of the car in which the goods are loaded filled in, it is handed to the conductor in charge of the freight train. This routine is often deviated from for the following reasons: The preparation of the way-bill, particularly the application of the rate, requires considerable time. Freight is received until late in the day and would often lay over until the following morning if it had to wait for the way-bill. To take care of such cases, the card bill has been adopted. This is a card which provides for the initial and number of the car, contents, shipping point and destination. The card bill is used principally for through traffic and generally where quick movement of the freight is required. It accompanies the freight to

destination, to which point the regular way-bill is mailed. Another exception to the rule, that the way-bill accompany the goods, is made in connection with transcontinental freight moving partly by steamship and partly by rail, where the regular way-bill is mailed by the forwarding agent directly to the agent at destination and the freight goes forward from the point at which it is delivered to the rail lines on what is known as a "Loading Bill," similar in arrangement to the card bill. This exception is made to avoid not only the delay but the expense incident to the rebilling of the freight at the port.

2. **Shipments way-billed "to order."**—Bills of lading, unless stamped "Not Negotiable," are negotiable instruments, transferable by endorsement, and where a bill of lading is hypothecated or used as an instrument to insure payment of the invoice before delivery of the goods, the consignee can obtain delivery of the goods only upon surrender of the original bill of lading to the railroad.

For example where consignor draws a sight draft on consignee for the invoice value of the goods, the draft with the bill of lading attached is either discounted at a bank or deposited for collection. It is forwarded by the bank at point of shipment to its correspondent at destination for collection. The way-bill reads under the head of consignee, "To Order, notify John Doe." Upon arrival of the shipment at its destination, the consignee is notified; the bill of lading is secured by payment of the draft at the bank, and upon the surrender of this bill of lading to the railroad, delivery of the goods is made. Bills of lading are taken up by the agent of the railroad, cancelled and returned to the auditor with the original way-bill.

Where the bill of lading has been lost or delayed, consignee may obtain delivery of the goods by filing with the railroad an indemnity bond for an amount equivalent to 125 per cent of the invoice value of the goods.

3. **Local way-bill.**—The local way-bill is used for the movement of goods between points on the railroad company's own line. It provides, in addition to the "Freight" (the transportation charges accruing from the way-billing point to destination), for "Advances" and "Prepaid." Prepaid represents the prepayment of charges by consignor at the shipping point. Advances are payments made by the railroad at the way-billing point for services performed up to that point; for example,

charges paid to connecting lines for transportation, cartage, or drayage, feeding of live stock, refrigeration, and so forth.

The items of "freight," "advances" and "prépaid," will be referred to under the head of "Audit of Freight Accounts."

4. Interline way-bill.—The "Through" or "Interline" way-bill is used for the movement of goods over two or more railroads; it is the same in arrangement as the local way-bill with the addition of the route.

To meet commercial requirements and avoid delay, it is necessary that the handling of freight-traffic be as simple as possible. To this end it is essential that wherever possible one way-bill should cover the entire haul from point of origin to destination, regardless of distance or number of railroads involved. The through or interline way-bill not only saves time and money but prevents errors which are liable to occur in re-billing at junction points. Through billing, of course, is feasible only where through rates have been published by the traffic department; arrangements for through billing are made by special agreement between the auditors of the roads in interest.

5. Collection of freight charges.—As a rule freight charges are collected at destination on delivery of the goods, the agent at destination being held responsible for the collection of the correct amount of charges.

Owing to the somewhat speculative character of certain commodities shipped in large quantities, the shipments are not always consigned to the final purchaser or to any particular market, but to the order of the shipper and forwarded in the direction of some important distributing point, Chicago for example, and from there diverted by the shippers or their agents to a favorable market. In view of the competition between carriers, particularly transcontinental lines, and also to stimulate traffic, the railroads adapt themselves to these conditions. The diversion is taken care of by correction of the way-bill. In cases of this kind it is impossible to determine the freight charges at the shipping point, and if charges were prepaid an additional collection would have to be made at destination. The railroad has a legal lien on the goods for its charges and as the value of the goods ordinarily exceeds the amount of the charges, it runs practically no risk.

Prepayment or guarantee of the freight charges is generally required in the following cases:

1. On shipments of perishable goods.
2. On shipments of household effects and goods, the proceeds of which at forced sale would not cover the freight charges.
3. On shipments to points without agents, because of the impossibility of collecting the freight charges at destination.

Exceptions to the rule of collecting the charges on delivery of the goods are often made in large commercial centers where credit is extended to consignees. Under the rule of the Interstate Commerce Commission, however, credit can be extended only for ninety-six hours, and only upon the filing of a surety bond.

6. **Audit of freight accounts.**—At the close of each day's business, the agent sends to the auditor a report of way-bills forwarded from his station and a report of way-bills received at his station, separate report being made for "Local" way-bills and "Interline" way-bills. In the following explanation, these reports are designated by their technical names "Forwarded Abstract" and "Received Abstract." The "Forwarded Abstract" shows number and date of way-bill, initial and number of car, destination, description of goods, weight, rate, freight, advances and prepaid. The "Received Abstract" shows number and date of way-bill, number of freight bill, way-billing point, description of goods, weight, freight, advances and prepaid. Original way-bills received are sent to the auditor with the "Received Abstract." (See forms, pages 14 and 15.)

In addition to the forwarded and received abstracts, agents at junction points mail to the auditor daily a report of interline way-bills from other roads, covering shipments in the movement of which the railroad is an intermediate carrier. These reports are designated "Junction Passing Reports" and are used by the auditor as a record to show that all interline way-bills of foreign lines covering shipments in which the railroad is an intermediate carrier are accounted for.

In accordance with the method of accounting as outlined under the head of "Agents Accounts," the agent debits himself with the "prepaid" as shown on his forwarded abstract and with the "freight" and "advances" as shown on his received abstract, taking credit for "advances" as shown by his forwarded abstract, and "prepaid" as shown on his received ab-

AGENTS DAILY ABSTRACT OF INTERLINE WAYBILLS FORWARDED

Accounting
No. _____

Accounting
No. _____

ceiving agent for "prepaid" and debits for "advances," provided all way-bills reported by the forwarding agent are reported as received.

The technical details of checking the agent's reports, which can be described only in a general way, are as follows:

The original way-bills are first checked against the received abstract; then examined as to classification and as to rates and

EAST & WEST R.R.

No. 8

ABSTRACT OF INTERLINE WAYBILLS RECEIVED

FROM STATION ON THE				DIVISIONS	PROPORTIONS			
MONTH OF <u>January</u> 1922 <u>U. M. & G. RR</u>				30	5	88		
ARBY								
VIA <u>San Antonio</u> AND <u>U. & G. RR</u>				35	4	80		
VIA <u>Houston</u> AND <u>O. & T. RR</u>				4	2	61		
VIA <u>Sabine</u> AND <u>T. & G. RR</u>				4	2	61		
VIA <u>Lafayette</u> AND <u>East & West</u>				27	3	70		
VIA AND								
VIA AND								
ARBY								

FROM () Foundations, Tex.TO () Allen

WAYBILL		CAR		COMMODITY	WEIGHT	FREIGHT	ADVANCES		PREPAID	
Date	Number	Initial	Number							
1/11/22	1418	U. O	62758	man	881	13.57				
1/7/22	696	O. M. M.	9654	?	320	3.14	2.30		6.14	
1/5/22	435	U. O	61760	.	94	2.19			2.19	
					1275	19.60	2.30		8.33	

charges; assorted by forwarding stations (in the case of interline way-bills, by forwarding roads) to be checked against the forwarded abstracts. This is done in order to determine that all way-bills forwarded have been accounted for by the receiving agents.

Notice of any errors in way-bills received, or in the forwarded or received abstract, is sent to the agent who makes

'CORRECTION ACCOUNT to be included in settlement for month of January 1922 on interline novbills received from J. H. ... Ans. 10.4.22

[illegible]

Issued by East ^{and} West RR. January 31st 1922

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A large number of way-bills reported as forwarded in the latter part of the month necessarily are not reported to the auditor as received until the following month. In order to

SUMMARY OF INTERLINE ACCOUNTS OF FREIGHT RECEIVED

FROM AND VIA THE Auditor
A. W. and S. & R. R. Month of January 1922
San Antonio Tex.

[illegible]

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AUDITOR OF FREIGHT ACCOUNTS

establish a monthly balance of "advances" and "prepaid" between the forwarding and receiving stations, items not ac-

counted for, are listed as "in transit." This practice is easily understood; the amounts "in transit" simply anticipate the corresponding items on the received abstract. In other words it is assumed that the items have already been reported and that they agreed with the forwarded abstract. Accordingly the "In Transit Account" shows advances as a debit and prepaid as a credit so that these items counterbalance "advances" and "prepaid" as reported on the forwarded abstracts. Items in transit are listed on special blanks and checked against the following month's received abstracts.

In the case of interline way-bills, the originating road, that is, the road making the way-bill, is treated the same as a forwarding agent in regard to local way-bills. (See interline freight settlements.)

This is the general plan of the system; its practical operation, however, which involves considerable clerical labor, is not uniform in all accounting offices, the details being arranged to meet special conditions as well as the volume of business.

The method outlined in the foregoing paragraph is known as the "Received Basis;" on some roads agents are required to hold open their received abstracts a specified number of days after the close of the month in order that all way-bills forwarded during that month may be included. This is known as the "Forwarded Basis." On the received basis, freight earnings for the month include only earnings accruing from shipments completed during the month, while on the forwarded basis, earnings from all shipments way-billed during the month are included, whether the transportation has been completed or not.

On some roads, the agent renders, in addition to his daily abstracts, a monthly abstract of way-bills received, known as the "Monthly Freight Statement." This abstract is used in settlements with other roads for interline way-bills; also for the compilation of statistics of freight-traffic movement.

7. Freight from and to stations without agents.—Freight taken from stations without agents is accompanied by a conductor's memorandum way-bill to the first regular station, where a regular way-bill is substituted for the conductor's memorandum way-bill. Freight destined for points without agents is unloaded by the conductor, the way-bill being delivered by the conductor to the agent at the first regular station,

and the agent reporting it on a separate abstract in the same manner as he reports way-bills to his own station.

8. **Interline freight settlements.**—At the close of each month the auditor makes an abstract of all interline way-bills received, separate abstracts being made for car-load, and less-than-car-load shipments, a copy of which, together with a division statement showing each road's proportion of the freight, is sent to each road interested. This abstract is designated by its technical name, "Monthly Interline Freight Abstracts." The railroad on which the way-bill is made is called the "Way-billing Road"; railroads handling shipments as intermediate carriers are designated "Intermediate Roads," and the railroad on which the way-bill is received is called the "Settling Road." (See forms, pages 16 and 17.)

All errors in way-bills, abstracts, division statements, et cetera, are taken up by the settling road in a correction account, the net balance of which is included in the summary. (Page 18.)

Accompanying the abstract and division statement is a summary made for each road in interest, in which the way-billing road is credited with the total "advances" and its proportion of the freight charges, and charged with the total "prepaid." Intermediate roads are credited with their proportion of the freight charges. (See page 19.) The abstract, division statement, correction account and summary constitute the basis of settlement, which is made by sight draft for the balance.

9. **Junction freight settlements.**—Through or interline freight which is not way-billed through from originating point to destination, is way-billed to junction points and delivered to the connecting line on a "Transfer Freight Bill." Settlement for freight received or delivered on transfer freight bills is made between the agents at the junction. For example, a shipment from a point on the L. & N. R. R. to a point of the I. C. R. R., on which the freight charges are assumed to be \$50 to New Orleans and \$50 from New Orleans to destination, is delivered to the agent of the I. C. R. R. on a transfer way-bill showing \$50 charges. The agent of the I. C. R. R. pays the agent of the L. & N. R. R. \$50 and way-bills the shipment from New Orleans to destination, showing \$50 advances and \$50 freight. If shipment is prepaid, the agent of the L. & N. R. R. will turn \$50 over to the agent of the I. C. R. R. who

however, passengers may board trains without tickets. To encourage the purchase of tickets, passengers boarding trains without tickets at stations where tickets are on sale, in many States, are required to pay a higher rate. This is called the "Train Rate;" the rate charged for tickets is called the "Ticket Rate."

Different classes of passenger service are furnished by the railroads; that is, first-class, second-class, and third-class or immigrant. Different rates are charged for each class.

The passage ticket performs the same function in the transportation of passengers as the way-bill in the transportation of freight. It shows the station at which it is sold, destination, class, number and date, and entitles the holder to transportation from the selling point to destination.

Passage tickets are divided into two main classes; that is, "Local tickets" and "Through" or "Interline tickets." Local tickets are used for transportation between points on the railroad company's own line; through or interline tickets are used for transportation over the lines of two or more railroad companies.

2. Local passage tickets.—There are several kinds of local passage tickets in use: card, book, excursion, commutation and mileage tickets or mileage books.

Card tickets, so-called because they are printed on card paper, show selling station, destination, class rate and number, the date being stamped on the back when sold. Card tickets save the selling agent's time, the destination, rate, and so forth, being printed thereon, and greatly facilitate the accounting; they are used for transportation between points where passenger traffic is heavy, for both single trips and round trips.

Book tickets, so called because they are bound in books, are used for transportation between points not provided with card tickets. The destination is indicated by the selling agent, selling station and date being stamped on the back at time of sale. Several kinds of book tickets are in use, the most important of which is the simplex ticket on which a number of stations is printed, the destination being indicated simultaneously on the ticket and the stub by means of a cutter.

All book tickets are provided with stubs from which the agent makes his report.

Excursion tickets, which may be either card or book tickets, are made up of two parts, one for the going trip and one for the return trip; they are provided for transportation between points where reduced rates for round trips are in effect.

Commutation tickets entitle the holder to a certain number of trips between two given points and are used for inter-urban traffic.

Mileage tickets are provided with coupons, one for each mile, usually for a total of one thousand miles, and entitle the holder to transportation between any points on the line of the railroad issuing them up to the total number of miles contained in the book. In some sections, interchangeable mileage books, good over two or more railroads, are issued.

3. Interline passage tickets.—Interline passage tickets show the class and final destination, the selling point and date being stamped on the back at the time of sale, and contain in addition to the contract for the transportation, a separate coupon covering the transportation for each road over which the passenger travels.

Interline tickets are sold only to points to which through rates have been published by the traffic department, and are used for both single trips and round trips.

In many instances the same through rates, particularly trans-continental rates, apply over several different routes and in some cases the purchaser of the ticket has not decided upon the entire route. In cases of this kind, and in cases where the selling agent is not provided with a ticket covering the route desired by the purchaser, a ticket is issued to some terminal, Chicago, Kansas City, St. Louis, or New Orleans, for example, with an order on the agent of the railroad running beyond that point, for a ticket from there to destination. These orders are known as "Exchange Orders" and the tickets issued in exchange for same as "Exchange Tickets." They are used extensively in connection with excursion or tourist traffic to points on the Pacific Coast.

4. Audit of passenger accounts.—At the close of each day the agent sends to the auditor a report of local tickets sold and a report of interline tickets sold, designated by their technical names "Local Ticket Report" and "Interline Ticket Report." These reports show the opening and closing number of each class of tickets and the number sold to each destination,

rate, and amount. The commencing number is the closing number from the preceding day's report; the difference between the commencing number and the closing number represents the number of tickets sold.

Agents are supplied with tickets, upon requisition made on the general passenger department; the tickets are forwarded to them accompanied by a detailed invoice, copy of which is sent to the auditor. All tickets are numbered consecutively by the printer and each number must be accounted for; tickets spoiled must be reported as "cancelled" and returned to the auditor with the agent's daily report.

All tickets collected by conductors are mailed to the auditor at the end of each run and assorted according to selling stations or railroads if issued by foreign lines, local tickets being kept separate from interline tickets.

DAILY REPORT OF HOME INTERLINE TICKET SALES

AT Albany STATION, FOR January 2nd 1922 AGENT

Route No	Destination	Form	Number		No Sold	Class	Rate	Amount	Remarks
			Comm	Clos					
1	<u>Shenepart</u>	<u>1008</u>	<u>5419</u>	<u>5420</u>	<u>1</u>	<u>1st</u>	<u>10 59</u>	<u>10 59</u>	
2		<u>1008</u>	<u>5420</u>	<u>5423</u>	<u>2</u>	<u>0</u>	<u>10 59</u>	<u>21 18</u>	
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
					<u>5</u>			<u>50 10</u>	
Totals checked and divisions made by _____									
Authenticities and other enclosures checked by _____									

The technical details of checking the agent's reports, described in a general way, are as follows:

The agent's daily reports are first checked against the preceding day's report, as to commencing and closing number, to

determine that all tickets issued are accounted for; the rates are then compared with the tariffs, and the extensions and footings verified.

Notice of any errors in the number of tickets, rate or amount is sent to the agent, who makes the necessary adjustment on his next report.

In accordance with a method of accounting as outlined under the head of "Agent's Accounts," the agent debits himself with the total amount of the sales as shown by his daily ticket reports.

At the end of each month the agent renders a monthly report of both local and interline tickets sold. The tickets collected and turned in by conductors are checked against these reports so that the reports show the tickets outstanding at the end of each month. The monthly reports are used also for interline ticket settlements and for the compilation of statistics of passenger traffic movement.

On some roads only a monthly report is required; agents debit themselves *daily*, however, with the amount of the sales.

This is the general plan of the system; the practical operation, however, is not uniform, the details being arranged to suit special conditions.

5. Excess baggage.—Passengers are allowed 150 pounds of baggage free, a charge being made for any excess over 150 pounds. The rate charged is a certain percentage of the ticket rate.

Collections for excess baggage are reported to the auditor daily, separate reports being made of collections on local and interline baggage. The agent debits himself on his daily statement of account with the total amount of his reports.

Settlements with other roads for collections on interline baggage are made in the same manner as for interline ticket sales.

6. C. O. D. collections on baggage.—Charges for excess baggage are collected by the forwarding agent; in some cases, however, the collection may be made by the receiving agent on delivery of the baggage. Under such circumstances the baggage is forwarded under a C. O. D. check. Charges which may be collected on delivery are: (1) legitimate excess baggage charges which forwarding agent is unable to collect, (2) charges accruing up to the point of reshipment, storage, et

cetera, and (3) charges which may be advanced under authority of the general baggage agent.

The forwarding agent reports to the auditor the excess baggage in the usual manner, indicating that C. O. D. check has been attached for collection at destination. The agent at destination reports the collection on his report of excess baggage collections. When baggage is forwarded under C. O. D. check to a point on another road, notice is given by the auditor of the forwarding road to the auditor of the receiving road of the number of check, forwarding station, date of issue and charges.

7. Conductor's cash collections.—Passengers boarding trains without tickets as previously explained, pay their fares to the conductor in charge of the train, paying the "ticket rate" from stations without agents and the "train rate" from stations where tickets are on sale. A receipt is issued by the conductor for each cash fare collected. The receipts used are usually of the self-registering kind on which the amount is indicated by a punch mark, simultaneously on the receipt and on the stub. The stubs are returned to the auditor with the ticket collections, attached to the conductor's report, and the total amount collected is remitted to the bank. The stubs of the cash fare slips or receipts are checked as to the rates and amounts, and the total amount of the collections compared with the bank's daily statement of remittances received from conductors.

Where extra fares are collected for seats in parlor or chair cars, a receipt is issued for each fare by the conductor, who accounts for the collection in the same manner as for railroad fares.

8. Interline ticket settlements.—From the agents' monthly report of interline tickets sold, the apportionment of the sales between the various roads in interest is made and a report rendered by the auditor to each road interested showing description of ticket, route, rate, amount and proportion.

Interline ticket reports received from foreign lines are checked as to number of tickets sold, rate, amount, and proportion.

Settlement between railroads is made for *balances*, which are subject to sight draft by the creditor road as soon as agreed.

Mileage coupons collected from books issued by other roads

are sent to the issuing road and accounted for in the next settlement.

REPORT OF INTERLINE PASSENGER TRAFFIC
SUMMARY

To C. & D. RR FOR THE MONTH OF January 1922

Account	Amount
Ticket Sales	207 97
Government Business	6 62
Exchange Report	
Corrections (Add or Deduct)	
Total Tickets	
Scrip Collections	13 24
Mileage Collections	1 26
Excess Baggage Collections	12 69
Grand Total	248 78

9. Passenger revenue.—From the foregoing explanation and from the journal entries shown on pages 61-77 under the head of "General Accounts," it will be seen that the total revenue received by the railroad from the transportation of passengers is as follows:

Total amount of ticket sales as shown by agents' reports, plus conductors' cash collections, plus proportion of interline tickets sold by foreign roads, less foreign lines' proportion of interline tickets sold by agents. (See forms, page 31.)

D. Milk Traffic

Milk shipments are handled on passenger trains under rules similar to those regulating baggage. Revenue therefrom is protected by (a) way-bills or (b) milk tickets in duplicate. Where way-bills are used, the train baggageman delivers the way-bill and shipment to an agent at destination who accounts for the same to the auditor on his daily statement of account. Where milk tickets are used, one of the tickets is forwarded by the train baggageman to the auditor; the other is delivered to a receiving agent.

E. Switching Service

Switching service as distinguished from train service is the

service performed by locomotives in consolidating or distributing cars into or from trains, and the movement of cars from

REPORT OF INTERLINE PASSENGER TRAFFIC
TICKET SALES

To E. H. & R.R. for the month of January 1922 Page 1

From	To	Form	Numbers		No Sold one way	Fare	Proportion	Amount	Remarks or Authorities
			comm.	close.					
Allen	Shrewsbury	1008	5419	5420	1	10 59	6 62	6 62	
		1008	5421	5422	2	21 18	6 62	13 24	
	Denver	1008	5470	5471	2	81 54	26 80	53 60	
Denton	Old City	1008	7071	7072	1	11 20	5 90	5 30	
								207 97	

REPORT OF INTERLINE PASSENGER TRAFFIC
EXCESS BAGGAGE COLLECTIONS

To E. H. & R.R. for the month of January 1922 Page 1

From	To	Check Number	Excess Weight	Rate per 100 lbs		Amount	Remarks or Authorities
				Through	Proportion		
Allen	Old City	57812	35	1 54	1 25	4 42	
		57820	430	61	31	133	
	Shrewsbury	57920	230	1 40	30	69	
							1269

and to different tracks in the yards, industries or connecting roads.

Switching service is divided into "train switching" (switching service performed by train locomotives) and "yard switching" (switching service performed in yards where regular switch locomotives are maintained).

There are two classes of switching service: first, the service of assembling and distributing cars to and from trains, for which no charge is made, designated as "Non-revenue Switching," second, the movement of cars from and to trains or different tracks in the yards, for which a charge is made, designated as "Revenue Switching."

Revenue switching is divided into two classes: namely, "Interline Switching" and "Local Switching." Interline switching is the movement of a car in which two or more roads are interested; local switching is the movement of a car in which but one road is interested.

1. Interline switching.—A switching way-bill is issued for each car, giving all data necessary for its movement; that is, initial, car number, consignor, consignee, destination, weight, contents, switching revenue due each road and the amount prepaid, if any. (See forms, page 33.)

The switching way-bills are issued as follows:

For outbound cars (cars originating on the road performing the switching service, destined to a point on another road) by the road performing the switching service.

For inbound cars (cars originating on another road, destined to a point on the road performing the switching service) by the road delivering the car to the road performing the switching service.

For intermediate movements (cars interchanged between two roads via one or more roads performing the switching service) by the road delivering the car to be switched.

For inter-terminal movement (cars switched within one switching district where two or more roads perform the switching service) by the road performing the first service.

The receiving agent is responsible for the collection of the switching charges.

The system of accounting for interline switching is as follows:

The forwarding agent renders an abstract of interline way-bills issued, and the receiving agent renders an abstract of

REVENUE ACCOUNTS

REPORT OF INTERLINE SWITCHING WAYBILLS FOR CARS FORWARDED

[illegible]

A Show might only where switching charges are assessed in damage basis are absorbed on inbound traffic, then none of consumer, also original point of shipment if back of station, billed from. On interterminal movements, show name of shipper. The combined sum of the columnos showing to whom charges are due, should equal the combined footing at "Inletted" and "Exported" columns.

REPORT OF INTERLINE SWITCHING WAYBILLS FOR CARS RECEIVED

[illegible]

* When might any place switching charges be assessed on foreign air carriers? On intercontinental flights, such as those between New York and London, the combined sum of the volumetric charge and the weight-based charge would equal the combined fee at the "collect" and "prepare" instruments.

interline way-bills received. Settlements between roads are made either through the auditor's office, or between agents at junction points; when made through auditor's office, the receiving road sends to the forwarding road a copy of the received abstract, showing the revenue accruing to each road. Intermediate carriers, if any, are furnished with copies. Settlements are made on the abstracts as rendered, all discrepancies being adjusted in subsequent abstracts. When settlements are made between junction agents, the same procedure is followed.

2. **Local switching.**—Many different methods are in vogue to secure accurate accounting of local switching charges. To be effective, the method must be simple; no car should be moved without an order; the order for the service and the receipt for the charges should be made simultaneously, the order being returned to the agent by the yardmaster after the service has been performed. Orders are numbered consecutively and the agent is held to account for each number.

Collections for switching are reported by the agent on his daily statement of account.

F. Agents' Accounts

1. **General.**—In his accounts with the railroad, the agent is debited with all receipts and credited with all disbursements.

Accordingly, his account is debited with the total "freight" and "advances" as shown by his received abstract and the total "prepaid" as shown by his forwarded abstract. The account is credited with the total "advances" as shown by his forwarded abstract and total "prepaid" as shown by his received abstract.

The account is further debited with the total ticket sales, collections for excess baggage, as shown by his daily reports, collections for storage and demurrage, switching charges and miscellaneous collections, such as accounts due the railroad, and sent to the agent for collection, and so forth.

The account is credited with the cash remitted to the bank and with accounts sent to the auditor for credit, such as freight bills covering government shipments and other freight bills collected through the auditor's office, freight claims paid under authority of the freight claim department, unused tickets redeemed, et cetera.

Settlements with connecting lines for prepaid, and charges on freight received from or delivered to connecting lines (except freight moving under interline way-bills) are generally made by the agents at the junction point. After the settlements have been agreed upon between the agents, agents at junction points debit or credit themselves, as the case may be, with the balance due to or from connecting lines. The settlement between the agents is made by sight draft for the balance. These settlements are known as "Junction Freight Settlements," as distinguished from "Interline Freight Settlements."

Where the agent acts exclusively as ticket agent, he is required to remit the total amount of his daily collections, and his account shows no balance. Where the agent acts as freight agent, or as freight and ticket agent, he cannot remit daily the net amount debited to his account, for the reason that charges on freight received with which his account is debited may not be collected owing to non-delivery of freight, et cetera. At freight and ticket stations, therefore, a balance necessarily is carried forward from day to day which may consist of uncollected freight bills, cash retained for change, items due from or to connecting lines and vouchers for miscellaneous disbursements, and so forth.

2. Audit of agents' accounts.—At the close of each day, the agent sends to the auditor a statement of his account, designated as the "Agent's Daily Statement of Account" or "Balance Sheet," which is a summary of the daily debits and credits. This statement is verified by comparison with the totals of the daily received and forwarded abstracts, with the totals of the daily ticket reports, the reports of excess baggage, demurrage and storage collections, and with the bank's daily reports of remittances received from station agents. Balances due from station agents are verified periodically by the traveling auditor. (See form, page 36.)

At the close of each month, the agent renders a monthly statement of account which is a summary of his daily statements. These monthly statements are summarized by the auditor, and from the summary for all stations the monthly entry on the general books is made. (See form, page 37.)

3. Examination of agents' accounts by traveling auditor.—The traveling auditor must arrange his inspection so as not to

interfere with the conduct of business at the station; he should first verify such items in the agent's accounts as are subject to change. Accordingly, he should commence the audit by count-

AGENTS DAILY BALANCE SHEET

Attest _____ Agency _____ January 2nd 192 _____

DEBITS			CREDITS		
Balance from last report	40	25	Balance due agency from last report		-
Freight received	100	50	Local Prepaid received		22 96
Local Advances received	90	18	Advances forwarded		92 80
Prepaid forwarded	17	40	Interline Prepaid received		19 80
Freight received	50	20	Interline Advances forwarded		66 22
Interline Advances received	25	14	Credit papers remitted		10 72
Prepaid forwarded	9	80	Miscellaneous credits		111 50
Local ticket sales	30	20	Remittances		22 50
Interline ticket sales	50	10			
Local baggage collections		3 20			
Interline baggage collections		4 30			
Switching		10 00			
Storage on baggage		25			
Storage on freight		30			
Demurrage		4 00			
Drafts on treasurer		150 00			
Miscellaneous debits		103 10			
Correction in agency balance		100	Correction in agency balance		
Balance due agency per analysis below			Balance due company per analysis below		140 92
TOTAL		679 92	TOTAL		679 92

DETAIL OF MISCELLANEOUS DEBITS

462 Butant, Oregon Co.	103 10

DETAIL OF MISCELLANEOUS CREDITS

224 American Truff Co. remitted	111 50

ANALYSIS OF BALANCE

Uncollected charges on freight received	22 34	Advances unpaid on freight waybilled	91 24
Uncollected charges on prepaid forward	40 52	Prepaid charges on freight received due other roads	99 86
Other items uncollected	50 60	Prepaid collected on freight forwarded not waybilled	100 92
Advances paid on freight not waybilled	93 58		
Cash on hand per cash book	25 90		
Balance due agency		Balance due company	140 92
	432 94		432 94

I certify the above to be a full and correct statement of the accounts of this agency for the above date
 _____ Agent _____ Attest _____ Agency.

ing the cash on hand, depositing in the bank all checks which may be carried as cash without returning them to the agent.

At small stations where the railroad agent also acts as

REVENUE ACCOUNTS

37

agent for the express and telegraph company, the cash belonging to these companies must be counted simultaneously with the railroad company's cash.

AGENTS MONTHLY ACCOUNT CURRENT

DEBITS		CREDITS	
Balance due company from last month	1006.58	Balance due agency from last month	
Freight received	8463.94	Prepaid received	2987.18
Local Advances received	2231.18	Local Advances forwarded	1044.18
Prepaid forwarded	211.23	Prepaid received	300.50
Freight received	1658.10	Interline Advances forwarded	241.42
Interline Advances received	408.16	Credit papers remitted	540.19
Prepaid forwarded	160.14	Miscellaneous Credits	111.50
Local ticket sales	441.11	Remittances	10000.00
Interline ticket sales	180.56		
Local baggage collections	25.80		
Interline baggage collections	15.25		
Switching	30.00		
Storage on baggage	2.20		
Storage on freight	15.16		
Demurrage	100.50		
Drafts on treasurer	422.80		
Miscellaneous debits	103.10		
		Balance due company	899.84
		per analysis hereunder	
TOTAL	16124.81	TOTAL	16124.81
DETAIL OF MISCELLANEOUS DEBITS		DETAIL OF MISCELLANEOUS CREDITS	
441 Central Sugar Co.	103.10	224 American Trfg. Co. cash	111.50
		called	
ANALYSIS OF BALANCE			
Uncollected charges on freight received	711.16	Advances unpaid on freight waybilled	250.66
Uncollected prepaid on freight forwarded	181.38	Prepaid charges on freight received	
Other items uncollected	10.15	due other roads	120.44
Advances paid on freight not waybilled	409.16	Prepaid collected on freight for	
Cash on hand per cash book	254.40	warded not waybilled	61.35
Balance due agency		Balance due company	899.84
	1337.29		1337.29

CORRECT

January 31st 192
 Agent Cash ^{for} West A. R. Company

Unpaid freight bills covering freight on hand should be checked against the freight in the warehouse; where freight

has been delivered without payment of charges under agreement between the railroad and the consignee, the traveling auditor should interview consignees and obtain from them confirmation of the amounts due.

At stations where tickets are on sale, the stock of tickets on hand should be verified. The closing numbers as shown by the agent's last report should be checked against the commencing numbers of the stock on hand; if any tickets are found to have been sold, the cash to cover must be found in the agent's cash. An inventory of the tickets which should be on hand is sent to the traveling auditor; he should carefully count all tickets on hand to see that none has been sold out of order.

G. Sleeping Car, Mail, Express and Miscellaneous Service

Sleeping cars with few exceptions are operated by the Pullman Company under contract usually covering a number of years; the express traffic is handled by the American Railway Express or other express companies. The revenue accruing to the railroad for this service is fixed by the contracts with the companies.

The compensation for the transportation of mail is fixed by the Post Office Department on the basis of the space occupied by the mail.

All contracts entered into with any corporation, Pullman, express, U. S. Government, et cetera, are filed with the auditor as authority for the service and such contracts form the basis for the charge for service.

H. Per Diem and Car Service

To facilitate the prompt movement of carload freight interchanged between connecting roads, cars owned by one road are permitted to move over the rails of another. Payments for such use are made in accordance with the "Code of Car Service Rules," and "Per Diem Agreement" entered into by railroad members of the American Railroad Association.

Daily reports are made to the car accountant by conductors, of the cars moved in trains, by agents at junction points, of cars interchanged with other roads, and by *all* agents, of cars in the yards and on side tracks, showing initial and number

A report is made at the end of each month by the car ac-

PER DIEM REPORT

Sheet No. 1

PER DIEM REPORT
Cars of North and South R R Co Month of January 1922

Marks		Days		Marks		Days		Marks		Days		Marks		Days	
Number	Per Diem	Number	Per Diem	Number	Per Diem	Number	Per Diem	Number	Per Diem	Number	Per Diem	Number	Per Diem	Number	Per Diem
1	30001	2	45982	1	36780	3									
2	24001	5	17582	4	46780	2									
3	41811	12	28282	3	30680	1									
4	32111	1	61742	7											
5	26711	2	42642	9											
6	39511	6													
7															
TOTAL		265	TOTAL		257	TOTAL		223	TOTAL OF SHEET		745				

SUMMARY

Per Diem 745 days at 100 cents per day \$ 745

January 31st 1922

Car Accountant

Per _____

countant, to other roads, of their cars held on the railroad company's line, showing the number of days and compensation, or per diem earned, summarized on a "Summary of Per Diem or Miles." Similar reports are received from other

RAILROAD ACCOUNTS & STATISTICS

roads, which, after being verified by the car accountant, are sent to the auditor with the summary.

SUMMARY OF PER DIEM AND OF MILES

For Cars of North. & South. R. R. Co. Month of January 1922.

Sheet	PER DIEM.		PER DIEM SUMMARY				Amount	
	Days	Rate						
1	745	1.00	Per Diem		1661 Days @ 1 ⁰⁰ / ₁₀₀			
2	822	1.			" @			
3	43	1.			- @			
4	45	1.						
5	6	1.	Total Per Diem				1661	00
6			RECLAMS					
7			Ref No.	Station	Amount			
8								
9								
10								
11								
12								
13								
14								
15					None			
16								
17			Total Reclams					
18			Total Per Diem & Reclams				1661	00
19			CAR MILES		Amount			
20			Baggage Cars 630 Miles @ 2½		15 75			
21			" @ 3					
22			" @ 4					
23			Passenger Cars 820 " @ 5		41 00			
24			" @ 6½					
25			" @ 8					
26			Dining Cars " @					
27			Freight Cars " @					
28			1450		Total Miles		56	75
29			PRIVATE LINE CARS					
30			Loaded Miles @ 1 ⁴ / ₁₀₀					
31			" " @					
32			Empty @					
33			Loaded @					
34			Empty @					
35			Total Miles					
TOTAL	1661	100	Grand Total				1717	75

January 31st 1922.

Car Accountant

Per _____

The settlement is made by sight draft by the creditor road for the balance.

All adjustments for errors in settlement are made on a "Per Diem Adjustment Report" and are included in subsequent monthly summaries.

The monthly settlements are summarized by the car accountant, and from the summary the entries on the general books are made by the auditor.

Payments to private lines for the use of their cars, such as privately-owned tank cars, refrigerator cars, and stock cars, are made on a mileage basis.

CHAPTER III

DISBURSEMENT ACCOUNTS

1. General.—The disbursements made by a railroad are for material, fuel and supplies, for salaries and wages, and for miscellaneous expenses. The accounts reach the auditor through various channels which will be described in the following chapters; all, however, are recorded in one record, the "Record of Vouchers Audited."

See summary of voucher record, page 62.

2. Material and supplies.—On most railroads, material and supplies used in their operation are under the supervision of a general storekeeper, or chief of the supply department. This is not true, however, of certain classes such as fuel, and commissary and stationery supplies, which are handled by special departments organized for that purpose. On other railroads material for use of roadway and track is under the supervision of the maintenance of way department, material for use in shops under the supervision of the motive power department, and stationery and office supplies under the supervision of the stationer. The method or system of accounting for material and supplies is the same whether handled by one or several departments, and in the following explanation it is assumed that all materials and supplies, with the exception of fuel, are under the general supervision of one head—the general storekeeper.

All material and supplies are purchased by the purchasing agent upon requisitions from the storekeeper, and shipped to the various supply depots as directed by the storekeeper.

A record known as the "Material Received Book" is kept at each of the different supply depots, in which the receipt of all material and supplies is recorded. This record shows the date received, name of shipper, description of articles, quantity and condition; it further shows the date of the invoice, price and amount, and date and number of the voucher issued to cover.

All invoices for material and supplies are charged to "Material and Supplies," which account represents the supplies in the

Voucher Payable No. 1

Registered in _____ January _____ 1922 { To John Smith
New Orleans, La.

1/ 1/22	Labor and material, repairing automobile									150.00
Calculations Correct	Approved	Approved	Approved for Payment							
for Auditor			Auditor							

When signed by the Treasurer and properly endorsed by Payee, this voucher becomes a Sight Draft on this Company for One hundred fifty and 00/100 --- Dollars, \$ 150.00 in full settlement of the above account

Treasurer

STATEMENT OF ACCOUNT APPROVED FOR VOUCHER

{ To John Smith
New Orleans, La.

1/ 1/22 Invoice attached

150.00

CHARGEABLE TO										
Account No.	Title of Account									
329	Operating expense - Miscellaneous equipment repairs									150.00
Examined and found correct	Approved	Approved	Examined by.							

hands of the storekeeper, and sent to the storekeeper.

Material and supplies are issued by the storekeeper upon

requisitions made by employees using the same, which are approved by superintendents, foremen and others in authority. These requisitions are numbered consecutively, and show quantities, description of articles, and the purpose for which they are required.

A detailed account is kept by the storekeeper of each class of material, and to this account the invoices for purchases are charged and the requisitions for issues credited.

After the requisitions have been filled they are priced and classified according to the accounts to which the material is chargeable and the class to which the issue is credited, and are tabulated according to class and account number.

3. Material reclaimed.—Material which has been released from use in serviceable condition, or material which has been taken up in the usual course of repairs and renewals and which can be made usable in some form is charged to "Material and Supplies" at cost, and credited to the accounts to which it was originally charged.

4. Material in course of manufacture.—All material and supplies used in the manufacture of articles for stock on "shop orders" are charged to "Material in Course of Manufacture." At the close of each month a report is made to the auditor by the storekeeper of all orders completed during the month, showing the total cost, including labor, which is charged to "Material and Supplies" and credited to "Material in Course of Manufacture." These articles are handled by the storekeeper in the same manner as material purchased; they are entered in the receiving book and in the material account under their respective classes.

5. Monthly material report.—At the end of each month a report is rendered to the auditor by the storekeeper showing all vouchers charged to "Material and Supplies," the material and supplies issued during the month, and the distribution of the amount to the various accounts. After this report has been examined by the auditor, it is numbered and entered in the voucher record to the credit of "Material and Supplies" and to the debit of the respective accounts.

Material and supplies should be purchased in such quantities and at such times as to tie up the least possible amount of money. In this connection due regard should be paid to the possibility of market fluctuations; and also, in order to

prevent any overstock, a report should be rendered monthly by the storekeeper showing, by classes, the material and supplies on hand as per the last inventory, the purchases made since, the total to be accounted for, the issues, and the balance on hand.

6. Classification of material. —The description of articles used in the operation of a railroad embraces nearly every class of material and supplies known to the world of trade and it would be impossible to keep an account for each. It is possible, however, to so classify material accounts as to control the receipts and issues. On some railroads, the material accounts are kept only in three general classes: namely, material for roadway, material for shops, and stationery, while most of the larger roads have adopted a minute classification.

The following is a classification recommended by the Railway Storekeepers Association:

MAINTENANCE OF WAY AND STRUCTURES

- 1 A Frogs, switches and crossings and parts of same.
- 1 B Track fastenings, track bolts, spikes, etc.
- 1 C Track tools, all kinds, including hand and push cars, gasoline and motor cars, velocipedes and parts of same, and miscellaneous track material.
- 2 A Interlocking and signal material.
- 2 B Telegraph and telephone material.
- 3 Building and paving brick, cement, lime, stone, cast iron, and culvert pipe, roofing tile and slate, prepared roofing, all kinds for buildings, sewer and drain tile, etc.
- 4 Lumber, bridge and building, including piling, bridge timber, bridge ties, fence posts, shingles and manufactured lumber for bridges and buildings.
- 5 A Switch ties, treated and untreated.
- 5 B Crossties, treated or untreated.
- 6 Iron bridges, turntables, and structural steel, all kinds.
- 7 Ballast, all kinds, including riprap.
- 8 Rail, all kinds, except scrap.
- 9 A Fuel and water station material, and scales, and parts.
- 9 B Elevators, and coal and ore handling and conveying machinery.
- 9 C Steam derricks, steam shovels, steam ditchers, pile drivers and other such portable equipment used in roadway work and special material for same.
- 10 Chemicals for timber treatment.

MAINTENANCE OF EQUIPMENT

- 11 Bolts, nuts, washers, rivets, lag screws, pins and studs.
- 12 Springs, helical and elliptical, all kinds, for locomotives and cars.
- 13 Flues for locomotive and stationary boilers, arch tubes, dry pipes, all kinds.

- 14 Brass, copper, and steel tubing, copper ferules, and soft metals, such as copper, babbitt, tin, lead and zinc.
- 15 Bar iron and steel, spring steel, tool steel, shaped steel, sheet steel under No. 13 gauge, sheet copper, tin and brass chain, all kinds, except light coil, wire netting.
- 16 Boiler, fire-box, tank and sheet steel, No. 13 gauge and heavier, all kinds.
- 17 Heavy forgings for locomotives, such as crank pins, piston rods, quadrants and levers, motion links, valve yokes, etc.
- 18 Car forgings, iron and steel for passenger and freight cars, including metal brake beams and metal bolsters.
- 19 Locomotive castings, including gray iron, malleable, and steel, rough and finished, also cylinders, rough and finished.
- 20 Car castings, including gray iron, malleable, and steel, all kinds, also couplers and knuckles, and parts for metal car roofs.
- 21 Rough and finished brass castings and journal bearings.
- 22 Air-brake material, all kinds, for locomotives, passenger and freight cars, except hose, but including air pump and parts.
- 23 Mechanical appliances for locomotives, such as injectors, lubricators, bell ringers, sanders, pop valves, air and steam gauges, whistles, boiler checks and parts, water gauge and lubricator glasses, and speed recorders.
- 24 Passenger-car trimmings, all kinds, including oil and gas lamps and fixtures, steam-heat fixtures and fittings, except steam hose, mail car, coach and chair-car seat fixtures, including upholstering, material of all kinds, such as carpet, linoleum, rubber tiling and matting for cars and buildings.
- 25 Electric material for steam and electric locomotives.
- 26 Electric material for steam and traction-line cars.
- 27 Shop fuel, smithing coal, coke, fuel oil for furnaces, gasoline, charcoal, etc.
- 28 Foundry supplies, fire brick, fire clay, etc.
- 29 Wheels, tires, and axles for locomotives and cars, including driving-wheel centers, cast-iron, steel-tired and rolled-steel wheels.
- 30 Lumber, locomotive and car, rough and finished, including manufactured articles.
- 31 Machinery and machine tools, including all power-driven shop machinery.
- 32 Locomotive boilers, fire boxes, locomotive tenders and frames.
- 33 Trucks for equipment, locomotives, and cars.
- 34 Material in process of manufacture.
- 35 Floating-equipment material, all special material peculiar to floating equipment.

CONDUCTING TRANSPORTATION

- 36 Locomotive, train and station supplies, including tinware of all kinds; lanterns, train, switch, and other signal lamps and parts; locomotive and caboose tool equipment, such as jacks, shovels, wrecking frogs, train chains, etc.; baggage and warehouse trucks, caboose and station stoves and parts, ticket cases, tool handles, and all kinds of woodenware.
- 37 Oil-house material, all kinds, including lubricating oils and grease, illuminating oils, boiler compound, all kinds, and waste, all kinds.
- 38 Ice, sawdust, hay, and straw for ice houses.

- 39 Fuel, locomotive, including coal and wood and fuel oil for locomotive use only.
- 40 Fuels for stations and cars, including coal, coke and wood.
- 41 Commissary supplies for dining cars and restaurants.

GENERAL—COMMON TO ALL DEPARTMENTS

- 42 Pipe, iron and steel, except boiler flues.
- 43 Pipe fittings, all kinds, for steam, air, and water; valves and cocks for same.
- 44 Electric-lighting material and supplies for buildings and grounds.
- 45 Hardware, all kinds, including nails, jacks, small hand tools, emery wheels, wire, and wire cloth.
- 46 Rubber and leather goods including air, steam, and water hose, packing, all kinds, including metallic packing, asbestos, rope, belting, pipe covering, and boiler lagging.
- 47 Glass, drugs, chemicals and painter's supplies, such as brushes, scrapers, sand and emery paper and cloth, also paints, oils, and varnishes; all kinds for equipment and buildings.
- 48 Stationery and printing.
- 49 Power-plant equipment, including steam and electric power plants and generating stations, motors, and other electrical equipment for operating shop machinery.
- 50 Scrap, all kinds, including scrap rail.

The keeping of material accounts in 50 classes has the important advantage of enabling the auditor to verify by inventory, the balance on hand of any class without taking a complete inventory of the whole.

7. Fuel.—Fuel is purchased under contract by the purchasing agent and shipped to the different fuel stations. A record is kept at each fuel station of the quantity contained in each car of fuel oil or coal received, and a daily report of the receipts is made to the motive power department.

Invoices for fuel received are charged to "Fuel" and sent to the superintendent of motive power. Fuel is issued by employees in charge of the fuel stations, upon requisitions. These requisitions are recorded daily according to locomotives to which fuel is issued.

At the end of each month a report is made to the motive power department by the fuel stations of the fuel issued during the month. From these reports, and from the daily reports of fuel received, the motive power department compiles and sends to the auditor at the end of each month a report showing all invoices charged to "Fuel" during the month, the fuel issued during the month and the distribution of the amount to the various expense accounts. After this report has been examined by the auditor, it is numbered and entered in the

voucher record to the credit of "Fuel," and to the debit of the respective accounts.

In addition to this report, a report is made by the motive power department of the fuel on hand as per the last inventory, the fuel received since, the total to be accounted for, the issues, and the balance on hand.

8. Audit of purchase invoices.—Invoices for material, fuel, and supplies are first sent to the purchasing agent for approval of prices, and so forth; then to the general storekeeper or other officer receiving the material, to be checked against and recorded in the receiving record, as to quantities, quality, and condition of the goods. After verification and adjustment, if any, for shortages, loss or damage and other deductions chargeable to the shipper, the officer receiving the material certifies as to the correctness of the invoice, showing the account chargeable and the month in which the invoice is taken into account. A voucher is then issued and sent to the auditor.

Vouchers for miscellaneous supplies and expenses, such as traveling and incidental expenses, are made by the departments responsible for the expense, and are approved by the department head.

After the vouchers have been examined by the auditor, and numbered, they are entered in the voucher record to the credit of "Vouchers Payable" and debited to the respective accounts. Vouchers are then approved for payment by the auditor.

9. Inventories.—Inventories of material and supplies are taken periodically and any difference between the inventory and the balance shown by the material accounts is distributed to the various expense accounts on the basis of the charges to these accounts since the last inventory.

Prices applied to inventories are cost or market, whichever is lower.

10. Payrolls.—Payrolls are prepared by the division superintendents for employees in service on each separate division, separate payrolls being made for each class of work, namely, office, train and locomotive, maintenance of way, stations, et cetera, and by the superintendent of motive power for shop employees. Payrolls for general office employees are made by the respective departments, namely, executive, operating, traffic, accounting and treasury. All payrolls are approved by

the officer responsible for the expenses of the particular departments.

Each department sends to the auditor with the payrolls a statement showing the distribution of the amount to the various expense accounts.

Payrolls of the stores department are charged to "Material and Supplies" and distributed to the various expense accounts on the basis of the material and supplies issued during the month. A statement is sent to the storekeeper by the motive power department, of labor expended on articles manufactured for stock.

Employees discharged or leaving the service between two pay days are paid by an order, known as "Time Voucher," on the paymaster or treasurer. The amount is taken up on the regular payroll, but entered in a separate column to the credit of "Time Vouchers." When paid by the treasurer, the vouchers are charged to "Time Vouchers."

Note

The description of the method of accounting for material, fuel and supplies, and of the preparation and handling of payrolls, and so forth, has been made as general as possible so that it may conform to all the varied organizations.

11. Claims of overcharge, loss or damage.—All claims for overcharge, loss or damage are passed upon by the freight claim department. These claims divide themselves into two classes: first, claims which are paid by agents before they are investigated; and second, claims which are paid under authority of the freight claim department after investigation.

The first class of claims, in which are included relief claims filed by agents in cases where an agent collects from a consignee the correct amount of the charges, which is less than the amount debited to his station and the difference is not adjustable by correction, are sent to the auditor for credit with the agent's daily statement of account.

All claims paid are charged to the freight claim department by the auditor. At the end of each month a statement is rendered to the auditor by the freight claim department, of all claims investigated and adjusted during the month, showing the accounts to which the railroad's proportion is chargeable and the proportion chargeable to other roads; the total

CHAPTER IV

OPERATING EXPENSES

The operations of a railroad are divided into well-defined divisions or departments; there is, first, the maintenance of the roadway and structures situated thereon; second, the maintenance of the equipment; third, the development and procurement of traffic; fourth, the handling and movement of the traffic; and fifth, the general administration of the company's affairs. Each of these departments is under the direction of an officer who is charged with its operations and who is responsible for its expenses.

Following this organization, the classification of operating expenses prescribed by the Interstate Commerce Commission, divides the operating expenses into the following main classes:

1. Maintenance of way and structures.
2. Maintenance of equipment.
3. Traffic.
4. Transportation—Rail lines.
5. Transportation—Water lines.
6. Miscellaneous operations.
7. General expenses.

1. Maintenance of way and structures.—Under this general heading are classed the expenses incurred in maintaining the roadway and structures thereon, subdivided as follows:

201. Superintendence.
202. Roadway maintenance.
203. Roadway depreciation.
204. Underground power tubes.
205. Underground power tubes—Depreciation.
206. Tunnels and subways.
207. Tunnels and subways—Depreciation.
208. Bridges, trestles and culverts.
209. Bridges, trestles and culverts—Depreciation.
210. Elevated structures.
211. Elevated structures—Depreciation.
212. Ties.
213. Ties—Depreciation.
214. Rails.
215. Rails—Depreciation.
216. Other track material.

217. Other track material—Depreciation.
218. Ballast.
219. Ballast—Depreciation.
220. Track laying and surfacing.
221. Right-of-way fences.
222. Right-of-way fences—Depreciation.
223. Snow and sand fences and snowsheds.
224. Snow and sand fences and snowsheds—Depreciation.
225. Crossings and signs.
226. Crossings and signs—Depreciation.
227. Station and office buildings.
228. Station and office buildings—Depreciation.
229. Roadway buildings.
230. Roadway buildings—Depreciation.
231. Water stations.
232. Water stations—Depreciation.
233. Fuel stations.
234. Fuel stations—Depreciation.
235. Shops and enginehouses.
236. Shops and enginehouses—Depreciation.
237. Grain elevators.
238. Grain elevators—Depreciation.
239. Storage warehouses.
240. Storage warehouses—Depreciation.
241. Wharves and docks.
242. Wharves and docks—Depreciation.
243. Coal and ore wharves.
244. Coal and ore wharves—Depreciation.
245. Gas producing plants.
246. Gas producing plants—Depreciation.
247. Telegraph and telephone lines.
248. Telegraph and telephone lines—Depreciation.
249. Signals and interlockers.
250. Signals and interlockers—Depreciation.
251. Power plant dams, canals and pipe lines.
252. Power plant dams, canals and pipe lines—Depreciation.
253. Power plant buildings.
254. Power plant buildings—Depreciation.
255. Power substation buildings.
256. Power substation buildings—Depreciation.
257. Power transmission systems.
258. Power transmission systems—Depreciation.
259. Power distribution systems.
260. Power distribution systems—Depreciation.
261. Power line poles and fixtures.
262. Power line poles and fixtures—Depreciation.
263. Underground conduits.
264. Underground conduits—Depreciation.
265. Miscellaneous structures.
266. Miscellaneous structures—Depreciation.
267. Paving.
268. Paving—Depreciation.
269. Roadway machines.
270. Roadway machines—Depreciation.
271. Small tools and supplies.

- 272. Removing snow, ice and sand.
- 273. Assessments for public improvements.
- 274. Injuries to persons.
- 275. Insurance.
- 276. Stationery and printing.
- 277. Other expenses.
- 278. Maintaining joint tracks, yards and other facilities—Dr.
- 279. Maintaining joint tracks, yards and other facilities—Cr.

2. Maintenance of equipment.—Under this general heading are classed the expenses incurred in maintaining the railroad's equipment, and expenses for the repairs of equipment of other roads used in its operations; also the cost of maintaining machine shops, power plants, et cetera, subdivided as follows:

- 301. Superintendence.
- 302. Shop machinery.
- 303. Shop machinery—Depreciation.
- 304. Power plant machinery.
- 305. Power plant machinery—Depreciation.
- 306. Power substation apparatus.
- 307. Power substation apparatus—Depreciation.
- 308. Steam locomotives—Repairs.
- 309. Steam locomotives—Depreciation.
- 310. Steam locomotives—Retirements.
- 311. Other locomotives—Repairs.
- 312. Other locomotives—Depreciation.
- 313. Other locomotives—Retirements.
- 314. Freight-train cars—Repairs.
- 315. Freight-train cars—Depreciation.
- 316. Freight-train cars—Retirements.
- 317. Passenger-train cars—Repairs.
- 318. Passenger-train cars—Depreciation.
- 319. Passenger-train cars—Retirements.
- 320. Motor equipment of cars—Repairs.
- 321. Motor equipment of cars—Depreciation.
- 322. Motor equipment of cars—Retirements.
- 323. Floating equipment—Repairs.
- 324. Floating equipment—Depreciation.
- 325. Floating equipment—Retirements.
- 326. Work equipment—Repairs.
- 327. Work equipment—Depreciation.
- 328. Work equipment—Retirements.
- 329. Miscellaneous equipment—Repairs.
- 330. Miscellaneous equipment—Depreciation.
- 331. Miscellaneous equipment—Retirements.
- 332. Injuries to persons.
- 333. Insurance.
- 334. Stationery and printing.
- 335. Other expenses.
- 336. Maintaining joint equipment at terminals—Dr.
- 337. Maintaining joint equipment at terminals—Cr.

3. Traffic.—Under this general heading are classed the expenses incurred for advertising, soliciting and securing traffic and for preparing printing and distributing tariffs governing such traffic, subdivided as follows:

- 351. Superintendence.
- 352. Outside agencies.
- 353. Advertising.
- 354. Traffic associations.
- 355. Fast freight lines.
- 356. Industrial and immigration bureaux.
- 357. Insurance.
- 358. Stationery and printing.
- 359. Other expenses.

4. Transportation—Rail line.—Under this general heading are classed the expenses incurred for transporting persons and property over rail lines, including the expenses of station, train, yard and terminal service; also the expense of transporting company material, subdivided as follows:

- 371. Superintendence.
- 372. Dispatching trains.
- 373. Station employees.
- 374. Weighing, inspection, and demurrage bureaux.
- 375. Coal and ore wharves.
- 376. Station supplies and expenses.
- 377. Yardmasters and yard clerks.
- 378. Yard conductors and brakemen.
- 379. Yard switch and signal tenders.
- 380. Yard enginemen.
- 381. Yard motormen.
- 382. Fuel for yard locomotives.
- 383. Yard switching power produced.
- 384. Yard switching power purchased.
- 385. Water for yard locomotives.
- 386. Lubricants for yard locomotives.
- 387. Other supplies for yard locomotives.
- 388. Enginehouse expense—Yard.
- 389. Yard supplies and expenses.
- 390. Operating joint yards and terminals—Dr.
- 391. Operating joint yards and terminals—Cr.
- 392. Train enginemen.
- 393. Train motormen.
- 394. Fuel for train locomotives.
- 395. Train power produced.
- 396. Train power purchased.
- 397. Water for train locomotives.
- 398. Lubricants for train locomotives.
- 399. Other supplies for train locomotives.
- 400. Enginehouse expense—Train.
- 401. Trainmen.
- 402. Train supplies and expenses.

- 403. Operating sleeping cars.
- 404. Signal and interlocker operation.
- 405. Crossing protection.
- 406. Drawbridge operation.
- 407. Telegraph and telephone operation.
- 408. Operating floating equipment.
- 409. Express service.
- 410. Stationery and printing.
- 411. Other expenses.
- 412. Operating joint tracks and facilities—Dr.
- 413. Operating joint tracks and facilities—Cr.
- 414. Insurance.
- 415. Clearing wrecks.
- 416. Damage to property.
- 417. Damage to live stock on right-of-way.
- 418. Loss and damage—Freight.
- 419. Loss and damage—Baggage.
- 420. Injuries to persons.

5. Transportation—Water line.—Under this general heading are classed the expenses incurred in the transportation of persons and property by water lines, subdivided as follows:

- 431. Operation of vessels.
- 432. Operation of terminals.
- 433. Incidental.

6. Miscellaneous operations.—Under this general heading are classed the expenses incurred in miscellaneous operations, subdivided as follows:

- 441. Dining and buffet service.
- 442. Hotels and restaurants.
- 443. Grain elevators.
- 444. Stockyards.
- 445. Producing power sold.
- 446. Other miscellaneous operations.

7. General expenses.—Under this general heading are classed the expenses for the general administration and accounting, those of the financial, law, real estate, tax and claim departments, and expenses of a general character not chargeable under the preceding headings, subdivided as follows:

- 451. Salaries and expenses of general officers.
- 452. Salaries and expenses of clerks and attendants.
- 453. General office supplies and expenses.
- 454. Law expenses.
- 455. Insurance.
- 456. Relief department expenses.
- 457. Pensions.
- 458. Stationery and printing.

459. Valuation expenses.

460. Other expenses.

461. General joint facilities—Dr.

462. General joint facilities—Cr.

8. Depreciation.—Expenses for maintenance of way and structures and for maintenance of equipment include a monthly charge for depreciation. This charge is credited to "Reserve for Depreciation," to which the cost of replacements is charged when the property is replaced.

The amount upon which the depreciation is computed is the original cost, less estimated salvage. The rate should be sufficient to accumulate, during the estimated life of the property, a sufficient fund to replace the original cost less salvage. Where the amount credited to the reserve is insufficient to cover the original cost, less salvage, the difference is charged to operating expenses.

Depreciation charges for equipment are compulsory, while depreciation charges for road and structures are at present optional with the railroads.

The instructions issued by the Interstate Commerce Commission in respect to these accounts will be found in "Classification of Operating Revenues and Operating Expenses, Effective July 1, 1914." (See Appendix B)

9. Separation of operating expenses between passenger and freight service.—In order to determine the cost of freight and passenger service, it is necessary to divide operating expenses between the two classes of service. Under the foregoing classification certain items of expense can be allocated directly to either freight or passenger service. A large percentage of the expenses, however, as for example, maintenance of way and structures, traffic and general expenses, is common to both classes of service, and can be divided only on an arbitrary basis.

One of the main difficulties in arriving at an exact division of expenses common to both freight and passenger service, is to determine the extent to which the elements of speed and weight affect the cost of maintenance and operation. It is contended by some accountants, that unless an exact division can be made, operating expenses should not be divided between passenger and freight service, but should be considered as a whole; while others contend that it is immaterial

whether the segregation is mathematically correct or not, and that an approximation will answer all practical purposes.

The separation of expenses undoubtedly is important not only in the determination of the cost of passenger and freight service as a whole, but in the estimation of the cost of particular classes of traffic.

Since January 1, 1920, the separation is required by the Interstate Commerce Commission, and the manner in which expenses common to both freight and passenger service are apportioned is prescribed in "Rules Governing the Separation of Operating Expenses between Freight Service and Passenger Service, Effective January 1, 1920." (See Appendix E)

10. Inter-road car repair accounts.—All repairs of cars owned by other roads are made and charged for in accordance with rules prescribed by the Master Car Builders' Association, of which practically all roads are members.

A record is kept at all points where repair tracks are located, of cars owned by other roads placed for repairs. Repairs made are reported to the auditor at the end of each week on "repair cards;" from these cards the bills against the owners of the cars are made. These bills are recorded in a "Register of Car Repair Bills Receivable" and sent to the owners with a monthly summary.

Bills from other roads for repairs of owned cars are recorded in a "Register of Car Repair Bills Payable." The bills are first referred to the car accountant to establish the fact that the cars were on the line of the road rendering the bill, on the date of the repairs. After the bills have been verified by the car department and certified as to their correctness, they are returned to the auditor with the summary.

At the end of each month a summary is made of the registers, and the net difference between the car repair bills receivable and payable is credited or debited through the voucher record to the "Foreign Road Car Repair account," and debited or credited to "Operating Expenses," as the case may be.

Auditor
P. H. Shaw & Co. Co.

Audit No 7676
 For month of December
 Date made Jan. 25th 1922

SUMMARY OF CAR REPAIR BILLING

RENDERED BY
 EAST & WEST R.R.

Car Repair Bills Attached		
Bill Number	Description	Amount
3980	Repairs to Freight Cars	75.90
3980-1	Repairs to Passenger Cars	143.90
	Gas - Interchanged Passenger Cars	
	Freight and Express Charges - Repair Materials	
	Total due this road	219.80
Distribution		For further information address
Acct. 314	75.90	Auditor
" 317	143.90	
		Treasurer
	219.80	

CHAPTER V

GENERAL BOOKS

The general books and records in use are:

GENERAL LEDGER:

Containing the general accounts enumerated in chapter one.

AUXILIARY LEDGERS:

Containing accounts with other corporations and individuals, traffic, freight claim and car service balances, collection vouchers, etc.

JOURNAL.

VOUCHER RECORD: With classification of disbursements.

CASH BOOK:

The cash book in use on most roads consists of the treasurer's daily reports of cash receipts and disbursements.

SUMMARY OF AGENTS' ACCOUNTS.

SUMMARY OF INTERLINE FREIGHT SETTLEMENTS.

SUMMARY OF INTERLINE TICKET SETTLEMENTS.

SUMMARY OF CAR MILEAGE AND PER DIEM CHARGES.

RECORD OF CONTRACTS.

The summaries and journal entries given in the following pages show the manner in which the revenues and expenses and other transactions are summarized at the close of each month and recorded on the general books.

The manner in which revenues are collected, disbursed and accounted for by agents and others, is explained in Chapters II and III.

Month of January 1922

RECORD OF VOUCHERS AUDITED

Audit Number	Date Recorded	Amount	Date Paid	To Treasurer	Name of Payee	Invest-ment Account	Operating Expense Accounts	Operating Revenue Accounts	Other Income Accounts	Material and Supplies	Fuel	Other General Ledger Accounts	
												Account	Amount
1	1/1/22	150.00	1/25/22	1/24/22	John Smith		150.00						
2	1/1/22	3226.75	1/25/22	1/24/22	Marine Oil Co.						3226.75		
3	1/2/22	90.75	1/26/22	1/25/22	Overseas Stear Co.					90.75			
4	1/2/22	980.00	1/26/22	1/25/22	H. S. Atchafalpa					980.00			
5	1/3/22	126.78	1/30/22	1/29/22	L. and S. C. Co.							Post Facility Co	126.78
6	1/3/22	35000.00	1/30/22	1/29/22	Bellevue Investment Co.	35000.00							
sub-total		1098670.58				65000.00	4926.75		56922.10	17526.50	37061.02		1292760
		818.48			Insurance Depreciation Fund		818.48						
		43829.68			Equity		43829.68						
		2100.10			Design and Construction		2100.10						
		160788.22			Material & Supplies	10570.92	65017.30						
		283827.50			Fuel		283827.50						
		980462.29			Payroll	2160.20	978221.09						
		10618.40			Time Vouchers		10618.40						
		42887.73			Bought Claims Insurance		40964.68	196.30				Marine Bought Claim	1236.75
						27831.12	205111.68	896.30	56922.10	17526.50	37061.02		14224.35

JOURNAL ENTRY
 Month of January, 192—

<i>Account</i>	<i>Detail</i>	<i>Debit</i>	<i>Credit</i>
For debits and credits by disbursing department as per form "Record of Vouchers Audited."			
INVESTMENT—EQUIPMENT.....		77,831.12	
OPERATING EXPENSES.....		2,015,388.98	
OPERATING REVENUES.....		896.30	
Other Income Accounts:			
RAILWAY TAX ACCRUALS.....		569,221.02	
MATERIAL AND SUPPLIES.....		175,865.00	
FUEL.....		270,610.21	
Other General Ledger Debits:			
RENTS AND INSURANCE PREMIUMS PAID IN ADVANCE.....	12,425.02		
JOINT FACILITY DEBIT.....	562.58		
INTERLINE FREIGHT CLAIM ACCOUNT.....	1,236.75	14,224.35	
ACCRUED DEPRECIATION—ROAD.....			818.48
EQUIPMENT..			43,829.68
VOUCHERS PAYABLE.....			1,098,670.58
FOREIGN ROAD CAR REPAIR ACCOUNT..			2,100.10
MATERIAL AND SUPPLIES.....			660,788.22
FUEL.....			283,827.50
PAYROLL.....			980,486.29
TIME VOUCHERS.....			10,618.40
FREIGHT CLAIMS UNADJUSTED.....			42,897.73
		3,124,036.98	3,124,036.98

Month of _____

[illegible]

& DISBURSEMENTS BY THE TREASURER

192

ACCOUNTS TO BE DEBITED										Total Payments	Debit
Vouchers Payable	Station Agents Drafts	Interline Freight Account	Interline Passenger Account	Time Vouchers	Passenger Refund Drafts						
											1
67740.50				220.40	20.45					189.23	2
29864.70	9468.92	12793.50		196.40	19.82					52343.24	3
8430.12	8165.00	16724.50		722.96	21.70					34124.27	4
28644.50		25621.93		445.56						54771.99	5
112912.20	21520.95	36791.60		427.10	40.50					171772.35	6
22640.50		36720.3		199.40	9.75					26340.45	7
											8
11904.40	21726.40	21950.94		122.20						55965.91	9
4419.30		2010.30		396.20	14.50					6920.30	10
19056.20	26123.90			411.50	60.30					45781.00	11
17630.10				644.50						18074.62	12
14230.10	2006.15	20861.50		419.20						27516.95	13
311840.32				452.30	41.80					212334.22	14
											15
710850.42	1790.42			519.86	10.60					722171.20	16
14422.96		11925.10		412.20	14.50					26322.76	17
13750.62		74296		342.80	38.96					14777.34	18
12220.10			15163.75	177.10	99.25					30670.20	19
16620.40	8923.60		8923.62	164.50	60.30					34705.12	20
215210.80		16720.52	17904.93	277.52						244177.77	21
											22
10411.50	493.35	23416.68	11099.70	147.92	19.80					45688.84	23
11720.50				450.96	15.20					12346.66	24
16640.50			8210.90	430.70						25323.10	25
15428.96	17537.96		9624.50	712.20						43423.62	26
14570.92			11746.10	426.90	30.50					26794.42	27
67711.50			21345.30	330.92						79287.72	28
											29
18251.52				420.50	6.30					18772.32	30
11750.30				628.70	26.17					71865.17	31
123362.12	117776.65	22044.76	104006.50	10618.40	557.30					3073923.53	
BALANCE CASH ON HAND										192	
										TOTAL	3398136.63

JOURNAL ENTRY

Month of January, 192—

<i>Account</i>	<i>Detail</i>	<i>Debit</i>	<i>Credit</i>
For amount of cash receipts and disbursements made by the treasurer during the month of January, 192—, as per "Recapitulation of Daily Receipts and Disbursements by the Treasurer."			
TREASURER.....		3,173,404.23	
VOUCHERS PAYABLE.....		2,620,362.12	
STATION AGENT'S DRAFTS		117,896.65	
INTERLINE FREIGHT ACCOUNT.....		220,480.56	
INTERLINE PASSENGER ACCOUNT.....		104,006.50	
TIME VOUCHERS.....		10,618.40	
PASSENGER REFUND DRAFTS.....		559.30	
TREASURER.....			3,073,923.53
STATION AGENTS.....			2,508,445.00
BILLS COLLECTIBLE.....			128,297.86
INTERLINE FREIGHT ACCOUNT.....			300,507.10
INTERLINE PASSENGER ACCOUNT.....			114,650.90
INTERLINE FREIGHT CLAIM ACCOUNT...			30,990.32
PREPAID FREIGHT DEPOSITS.....			9,000.24
U. S. GOVERNMENT FREIGHT AND PASSENGER SERVICE.....			2,374.40
PASSENGER REVENUE: Conductors' Collections.....	37,626.81		
PARLOR AND CHAIR CAR: Conductors' Collections.....	108.80		37,735.61
Miscellaneous:			
DINING AND BUFFET.....			31,893.20
HOTEL AND RESTAURANT.....			9,509.60
		6,247,327.76	6,247,327.76

JOURNAL ENTRY
Month of January, 192—

<i>Account</i>	<i>Detail</i>	<i>Debit</i>	<i>Credit</i>
For debits and credits on account of transactions reported by station agents during the month of January 192—, as shown by "Summary of Agents' Monthly Accounts Current."			
STATION AGENTS.....		3,916,361.59	
FREIGHT REVENUE:.....			1,878,232.90
Local freight received.....	1,031,629.58		
Interline freight received.....	846,603.32		
ADVANCES:.....			501,532.51
Local advances received.....	377,632.40		
Interline advances received.....	123,900.11		
PREPAID:.....			565,878.92
Local prepaid forwarded.....	487,955.82		
Interline prepaid forwarded.....	77,923.10		
PASSENGER REVENUE:.....			798,524.63
Local ticket sales.....	338,641.33		
Interline ticket sales.....	459,883.30		
EXCESS BAGGAGE:.....			8,766.26
Local excess baggage collections..	3,944.83		
Interline excess baggage collections	4,821.43		
SWITCHING REVENUE.....			14,080.86
STORAGE ON BAGGAGE.....			1,248.88
STORAGE ON FREIGHT.....			3,388.68
DEMURRAGE.....			7,290.12
TREASURER:			
Agents' drafts paid.....			117,896.65
Miscellaneous collections as follows:			
MILK.....	18.70		
SPECIAL TRAIN.....	1,704.14		
OTHER FREIGHT TRAIN REVENUE.....	17.86		
WATER TRANSFER—FREIGHT.....	2,132.28		
WATER TRANSFER—PASSENGER..	2,446.06		
WATER TRANSFER—VEHICLE AND			
LIVE STOCK.....	1,158.84		
WATER TRANSFER—OTHER.....	5.06		
STATION, TRAIN AND BOAT PRIVILEGES.....	3,828.20		
PARCEL ROOM.....	573.74		
TELEGRAPH AND TELEPHONE.....	806.70		
BILLS COLLECTIBLE:			
Bill A462.....	103.10		
FREIGHT BILLS COLLECTED FOR			
ACCOUNT OTHER AGENCIES....	4,955.86		
MISCELLANEOUS EARNINGS:			
Commission accident ticket sale	75.08		
FREIGHT CLAIMS UNADJUSTED:			
Net proceeds from sale of refused freight.....	1,695.56		19,521.18
		3,916,361.59	3,916,361.59

SUMMARY OF STATION AGENTS
Month of

DEBITS

Agencies	Balance due Company last month	LOCAL			INTERLINE			Local Ticket Sales
		Freight Received	Advances Received	Prepaid Forwarded	Freight Received	Advances Received	Prepaid Forwarded	
1. Allen	1006.75	1,462.94	2,351.18	211.23	1,622.10	458.16	1,601.00	441.11
2. Aspinwall	1506.50	20,923.23	5,181.16	213.23	2152.23	1,056.23	250.23	222.22
3. Collins	552.12	5,115.12	1,118.21	142.11	915.20	200.21	90.00	220.09
4. Denton	903.25	762.40	1,221.81	141.23	610.50	611.25	61.10	142.25
5. Electric	956.10	26,620.00	50,821.25	50,118.23	2,657.20	2,253.25	2,441.15	2,223.20
6. Fayette	5050.00	23,926.90	21,161.00	41,811.23	12,419.13	12,251.16	1,410.00	1,116.00
7. Gordon	2,200.50	4,513.62	13,323.68	55,462.23	7,009.57	2,400.00	2,210.00	411.22
8. Higgins	520.45	51,401.11	15,003.01	23,242.20	14,119.00	2,032.00	1,005.00	1,600.50
9.								
10.								
11.								
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20.								
Totals	14,739.45	103,120.58	375,122.40	47,450.52	70,613.32	20,001.17	22,510.38	18,641.33

CREDITS

	LOCAL		INTERLINE		Credit Papers Permitted
	Prepaid Received	Advances Forwarded	Prepaid Received	Advances Forwarded	
1	2,927.15	1,044.18	300.50	341.42	540.19
2	1,000.00	2,096.07	700.10	410.22	430.67
3	189.42	4,011.00	100.50	127.42	1,288.91
4	16,103.61	1,110.00	105.60	56.10	1,239.25
5	5,329.00	67,411.32	1,526.60	4,407.29	12,223.09
6	27,000.27	4,114.00	1,216.51	1,450.00	2,660.00
7	19,317.45	21,726.70	633.15	792.41	2,446.85
8	26,411.30	20,434.11	1,246.92	1,482.50	2,326.24
9					
10					
11					
12					
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19					
20					
Totals	103,120.58	515,321.43	16,329.56	13,277.72	60,262.29

GENERAL BOOKS

69

MONTHLY ACCOUNT CURRENT

January 192

Interline Ticket Sales	Local Baggage Collections	Interline Baggage Collections	Switching	Storage on Baggage	Storage on Freight	Demurrage	Drafts on Treasurer	Misc'l Debits	Total for Month	Total including balance due company last month
170.56	25.80	15.35	30.00	2.20	15.16	100.50	423.80	103.10	1511.823	16124.81
460.72	41.25	31.52	50.00	5.10	41.32	250.00	861.40	1206.20	35876.65	37723.19
95.81	15.40	9.10	40.00	1.10	70.8	50.00	280.45	1051.20	972.521	10283.33
90.65	18.25	53.5	40.00	1.40	16.15	57.00	221.24	1031.10	13184.05	14087.28
215.90	125.80	90.10	250.00	44.00	90.22	50.00	4000.50	453.00	311894.45	328158.90
159.10	100.45	50.40	6.00	32.00	55.10	175.00	1077.80	925.00	173554.71	178009.70
205.55	45.10	40.50	80.19	12.00	10.50	85.00	778.00	529.00	90861.36	93170.90
920.50	81.50	13.50	40.00	10.00	50.2	70.00	504.00	411.00	100999.30	104089.65
459,823.30	3944.83	4421.43	14080.86	1248.88	3388.68	7280.12	117896.65	17521.18	1916361.59	4021301.01

Misc'l Credits	Cash Remitt- ances	Total for Month	Balance due Company	Total including balance due Company
111.50	1000000	15224.97	899.84	16124.81
	2200000	35516.79	2206.40	37723.19
	700000	9828.78	454.55	10283.33
	920000	12935.32	1151.96	14087.28
	1760000	31736.26	10894.64	328158.90
	8500000	173027.10	5962.60	178009.70
	4500000	89836.60	3334.30	93170.90
	5000000	101927.12	2964.53	104089.65
100150	27,644,500	31,441,370	31972.31	40,213,010.1

JOURNAL ENTRY

Month of January, 192—

<i>Account</i>	<i>Detail</i>	<i>Debit</i>	<i>Credit</i>
PREPAID:.....		646,583.76	
Local prepaid received.....	483,288.20		
Interline prepaid received.....	163,295.56		
ADVANCES:.....		648,120.15	
Local advances forwarded.....	515,321.43		
Interline advances forwarded.....	132,798.72		
Accounts sent to auditor for collection, as follows:			
U. S. GOVERNMENT FREIGHT AND PASSENGER SERVICE.....	20,467.37		
Bills of lading and freight bills remitted for collection.....	12,404.87		
U. S. Quartermaster's request for passenger transportation.....	8,062.50		
PREPAID FREIGHT DEPOSITS.....	9,000.24		
Deposits made with treasurer for freight charges to be waybilled prepaid.			
FREIGHT BILLS COLLECTED FOR ACCOUNT OTHER AGENCIES.....	4,955.86		
Credits taken on account of collection of charges by other agencies and reported as miscellaneous debit.			
FREIGHT CLAIMS PAID TO CLAIMANTS UNADJUSTED.....	25,838.82	60,262.29	
Miscellaneous credits:			
BILLS COLLECTIBLE.....		1,001.50	
Bills A264-A278 cancelled.			
TREASURER.....		2,508,445.00	
Cash remitted by agents.			
STATION AGENTS.....			3,864,412.70
		3,864,412.70	3,864,412.70

RECORD OF AMOUNTS DUE FROM AND TO FOREIGN COMPANIES ON INTERLINE FREIGHT ACCOUNT for the month of January 1922

Roads	FREIGHT CHARGES RECEIVED		THIS ROAD'S SUMMARIES					OTHER ROAD'S SUMMARIES				NET	
	Total	This road's proportion	Bill of lading proportion of freight received	Advances received	Prepaid received	Balance due in other roads	This road's proportion of freight forwarded	This road's proportion of freight immediate	Advances forwarded	Prepaid Forwarded	Balance due this road	DEBIT	CREDIT
1	463.14	87.90	139.18	243.92	128.88	326.32	7.60	153.75	14.81	163.19	16.17		343.31
2													
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191													

JOURNAL ENTRY

Month of January, 192—

<i>Account</i>	<i>Detail</i>	<i>Debit</i>	<i>Credit</i>
For debits and credits from interline freight settlements for the month of January 192— as per "Record of Amounts Due from and to Foreign Companies on Interline Freight Account."			
FREIGHT REVENUE..... Foreign roads' proportion of interline freight received.		537,383.33	
ADVANCES..... Interline advances received.		123,900.11	
PREPAID..... Interline prepaid received.			483,288.20
INTERLINE FREIGHT ACCOUNT.....			177,995.24
INTERLINE FREIGHT ACCOUNT.....		435,911.25	
PREPAID..... Interline prepaid forwarded.		67,823.00	
ADVANCES..... Interline advances forwarded.			125,798.72
FREIGHT REVENUE..... This company's proportion of interline freight, as per foreign roads' summaries.			377,935.53
		1,165,017.69	1,165,017.69

INTERLINE Tickets ACCOUNTJanuary 1922Sheet No. 1

Name of Company	Ledge No.	Month	Debit Amount	Credit Amount
E. H. & R. R.		Jan		248.78
N. H. & R. R.		.		675.86
O. H. and J.				456.70
				3284.88

Verified by _____

Posted by _____

Correct _____

JOURNAL ENTRY

Month of January, 192—

<i>Account</i>	<i>Detail</i>	<i>Debit</i>	<i>Credit</i>
For debits and credits for interline passenger settlement as per "Interline Ticket Account Summary."			
PASSENGER REVENUE..... Foreign roads' proportion of interline ticket sales.		320,471.88	
EXCESS BAGGAGE..... Foreign roads' proportion of interline excess baggage collections.		3,375.00	
INTERLINE PASSENGER ACCOUNT....			323,846.88
INTERLINE PASSENGER ACCOUNT....		114,063.91	
PASSENGER REVENUE..... This company's proportion of foreign roads' interline ticket sales.			112,880.45
EXCESS BAGGAGE..... This company's proportion of foreign roads' interline excess baggage collections.			1,183.46
		437,910.79	437,910.79

JOURNAL ENTRY
Month of January, 192—

<i>Account</i>	<i>Detail</i>	<i>Debit</i>	<i>Credit</i>
For debits and credits as per contract ledger for month of January 192—.			
BILLS COLLECTIBLE.....		147,293.64	
MAIL.....			36,162.38
EXPRESS.....			83,135.48
OTHER PASSENGER TRAIN REVENUE			15,289.78
Pullman Company.....	13,410.00		
News privileges.....	1,879.78		
STOCK YARDS.....			48.94
POWER.....			345.00
RENTAL OF BUILDINGS AND OTHER PROPERTY.....			3,881.34
MISCELLANEOUS REVENUE.....			6,769.04
Ore and coal wharves.....	4,678.02		
Installing power lines for others..	1,816.02		
Commissions on insurance premiums.....	275.00		
JOINT FACILITY CREDIT.....			1,661.68
		147,293.64	147,293.64

CHAPTER VI

AUDIT OF RAILROAD ACCOUNTS

The procedure in the audit of railroad accounts by professional accountants does not differ materially from that followed in the audit of other corporations. A number of textbooks on auditing are available to the student, notable among which are "Auditing Theory and Practice," by Robert H. Montgomery, Ronald Press Company, New York, and "Auditing," by W. H. Bell, Prentice-Hall, Inc., New York.

1. General.—Trial balances at the beginning and end of the period under review should be prepared from the ledger and checked against the balance sheets to see that no items appearing on both sides of the trial balance have been omitted, and that the assets and liabilities have been classified in the same manner at the beginning and close of the period.

The ledger should be carefully examined and the disposition of all general ledger assets and liabilities that may have been disposed of, written off, or liquidated during the period, verified. All accounts which may have been opened and closed during the year should be scrutinized to see that they have no bearing on the financial condition of the company at the close of the period.

The balance sheets should be prepared in comparative form to show the changes in each item for the period under review. The profit and loss and surplus account should be analyzed, and a statement prepared showing the disposition of profits.

2. Assets and liabilities.

Investment in road and equipment, improvements on leased railway property and miscellaneous physical property.—One of the most important and difficult parts of the audit is to establish the correct apportionment of expenditures between construction and maintenance; in other words, expenditures chargeable to capital account, and expenditures chargeable against income. All changes in these accounts, as shown by the comparative balance sheet, should be carefully analyzed to

ascertain that all expenditures were properly authorized and that the amount expended did not exceed the amount authorized. The auditor should satisfy himself that all charges to these accounts are for bona fide additions and improvements chargeable to capital account under the rules prescribed by the Interstate Commerce Commission.

Securities.—Securities owned by whatever nature, including securities held by trustees of sinking and other funds, or securities held by the treasurer for account of special funds, should be verified by inspection or confirmation.

Other investments.—All other investments, including investment advances to controlled, affiliated and non-affiliated companies, should be verified by confirmation; securities which may be held as collateral should be verified in the usual manner.

Cash.—Cash in the hands of a treasurer should be verified by actual count; any checks found in the cash should be deposited in the bank without being returned to the treasurer. Balances on deposit with banks should be verified by confirmation from the banks; special deposits should be verified in the same manner.

Current assets.—The current assets usually consist, in addition to the cash, of notes and miscellaneous accounts receivable, traffic and car service balances, balances due by other roads for loss and damage claims, car repairs, et cetera, balances due from agents, and material and supplies.

Notes receivable.—Notes receivable should be verified by inspection of the notes, or, if pledged, by confirmation from the pledgee.

Miscellaneous accounts receivable.—Miscellaneous accounts receivable for rent, interest on material, and so forth, will usually be found in the hands of agents for collection. The auditor should satisfy himself that they are current and that all uncollectible accounts have been written off.

Traffic and car service balances receivable.—All traffic and car service balances, and balances due for loss and damage claims and car repairs, are subject to sight draft as soon as agreed upon. If any balances are found open, the auditor should ascertain why they are not paid.

Balances due from agents.—The balances as shown by the agent's last monthly statements of account should be listed to show that the total agrees with the ledger balance. The bal-

ances due from agents consist mainly of unpaid freight bills, cash retained for change, amounts due from and to connecting lines for junction freight settlements, vouchers for miscellaneous disbursements, et cetera. These balances are verified periodically by the railroad company's traveling auditor. If it is not practicable to examine the last traveling auditor's report for all stations, the auditor should examine a sufficient number to make a fair test, thus making sure that the balances contain no uncollectible items.

Material and supplies.—The material and supplies on hand consist of rails, ties, and other roadway material, shop material and supplies, and stationery. Certificates should be obtained from the heads of the different departments under whose supervision the inventories were taken. Tests should be made to see that all material and supplies are priced at "cost" or "market" whichever is lower.

The inventory adjustments should be examined and if the differences between the balances as shown by the material accounts and the physical inventories are unusually large, the auditor should obtain an explanation.

Deferred debit items.—All working fund accounts, suspense accounts and unadjusted accounts should be carefully analyzed. Unadjusted freight claims paid and charged to the freight claim department should be listed to see that the total agrees with the ledger balance.

Prepaid insurance and other charges deferred to future operations should be verified in the usual manner.

Capital stock.—As a rule, trust companies act as transfer agents for the capital stock of railroad companies, and a certificate should be obtained from the transfer agent showing the number of shares outstanding.

Bonds.—Bonds outstanding should be confirmed by a certificate from the trustees.

If bonds have been redeemed during the period under review, the auditor should see that they have been properly cancelled.

Notes payable.—Notes payable should be verified by confirmation from the holders.

Audited accounts payable.—All unpaid vouchers should be listed from the voucher record to see that the total agrees with the ledger balance.

Traffic and car service balance payable.—All traffic and car service balances, balances due for loss and damage claims, and car repairs, are subject to sight draft as soon as agreed upon. If drafts for balances that may be agreed upon at the close of the period are not received in the course of the audit, the auditor should ascertain the reason.

3. Income and profit and loss accounts.—It would be impossible to verify in detail, within a reasonable length of time, every item entering into the profit and loss account of a railroad, but the auditor should satisfy himself in a general way, that all earnings and expenses are included and that the profits are correctly stated.

The principal sources of railroad revenue are the freight and passenger traffic. As explained under the head of "Freight Revenue" and "Passenger Revenue," the revenues from these sources are made up from the periodical report of agents, from conductors' reports of cash collections, from interline freight and ticket settlements, and the journal entries covering these settlements; and the summaries (described under the head of "General Accounts") from which they are made, should be examined and sufficient tests made by comparison of some of the original reports with the summaries into which the totals are carried.

In connection with the verification of the freight revenue, the auditor should analyze the "In Transit Account" referred to under the head of "Freight Accounts" to see that only "prepaid" and "advances" are included therein.

Revenues from the transportation of mail and express, from the operation of sleeping cars, and from rent and miscellaneous other sources can be verified by an examination of the record of contracts referred to under the head of "Sleeping Car, Mail, Express and Miscellaneous Earnings."

A comparison should be made of the profit and loss account for at least three years, and the auditor should obtain an explanation of unusual fluctuations in any item.

On important railroad systems where, on account of the large number of vouchers, it would be impossible to examine all vouchers, a sufficient number should be examined to ascertain that they are properly approved and that disbursements have been correctly classified. The voucher record for one or two months following the close of the period under review

should be examined to determine that it contains no expenditures which should have been charged against the period under review.

PART TWO

RAILROAD STATISTICS

Statistics are the accounts of the forces that prevail and move in an industry; in other words, statistics are the mathematics of the industry.

The relative efficiency and economy of the management of an industry is measured by comparison of the results of its operations for different periods and also by the comparison of these results with the operations of other industries engaged in the same productive activity for a corresponding period.

To make this comparison possible, railroad operations must be reduced to common units. The purpose of the following chapters is to explain the different units and the words and phrases employed, in order to illustrate the main features of railroad operation and the relationship existing between the different items.

CHAPTER VII

UNITS OF SERVICE

A. Train Miles

The business of railroads is to provide transportation for persons and property from one point to another by the operation of trains. A train is the unit of equipment used in transportation and consists of one or more locomotives, a certain number of cars, freight or passenger, and crew; hence transportation service is represented by the miles run by trains, designated as "Train-miles."

$$\text{Train-miles} = \text{Train} \times \text{Distance}$$

The unit of service is the "Train-mile," that is, one train run one mile.

The classification prescribed by the Interstate Commerce Commission divides train-miles into two main classes, namely, (1) Transportation service and (2) Work service.

1. *Transportation service.*—Under this general heading are classed the miles run by all *revenue* trains, irrespective of class of service performed; in other words, the movement of all trains, the operating expenses of which are included in locomotive and train expenses accounts 392 to 402.

Train-miles in transportation service are subdivided as follows:

1. Freight-train miles.
 - A. Ordinary freight-train miles.
 - B. Light freight-train miles.
2. Passenger-train miles.
3. Mixed-train miles.
4. Special-train miles.

2. *Work service.*—Under this general heading are classed miles run by trains engaged in company service, such as official, inspection and pay trains, inspection trains for railway commissioners for which no revenue is received, trains run for the transportation of employees to and from their work

when no charge is made, wrecking trains, and trains run for the transportation and distribution or concentration of material and for other service in connection with maintenance or betterment work.

B. Locomotive Miles

A locomotive is the unit of equipment employed in the movement of cars; its service is represented by the miles run, designated as "Locomotive-miles."

Locomotive-miles = Locomotive \times Distance

The unit of locomotive service is the "Locomotive-mile," that is, a locomotive run one mile.

The classification prescribed by the Interstate Commerce Commission divides locomotive-miles into three main classes, namely, (1) Transportation service—Line; (2) Transportation service—Switching; and (3) Work service.

1. Transportation service—line.—Under this general heading are classed miles run by locomotives with revenue trains, the miles of which are classed under the head of "Transportation service" in the classification of train-miles.

Locomotive-miles in transportation service—line, are subdivided as follows:

1. Freight locomotive miles.
 - A. Principal freight locomotive miles.
 - B. Helper freight locomotive miles.
 - C. Light freight locomotive miles.
2. Passenger locomotive miles.
 - A. Principal passenger locomotive miles.
 - B. Helper passenger locomotive miles.
 - C. Light passenger locomotive miles.
3. Mixed-train locomotive miles.
 - A. Principal mixed-train locomotive miles.
 - B. Helper mixed-train locomotive miles.
 - C. Light mixed-train locomotive miles.
4. Special locomotive miles.
 - A. Principal special locomotive miles.
 - B. Helper special locomotive miles.
 - C. Light special locomotive miles.

2. Transportation service—switching.—Under this general heading are classed the miles allowed locomotives performing switching service.

Locomotive-miles, transportation service—switching, are subdivided as follows:

1. Train switching locomotive miles.
2. Yard switching locomotive miles.
 - A. Yard switching locomotive miles—Freight.
 - B. Yard switching locomotive miles—Passenger.

3. **Work service.**—Under this general heading are classed miles run by locomotives in work-trains, the miles of which are classed under the head of "Work service" in the classification of train-miles.

C. Car Miles

A car is the unit of equipment in which passengers or freight are transported; its service is represented by the miles run, designated as "Car-miles."

$$\text{Car-miles} = \text{Car} \times \text{Distance}$$

The unit of car service is the car-mile, *i.e.*, a car run one mile.

The classification of the Interstate Commerce Commission divides car-miles into two main classes: (1) Transportation service and (2) Work service.

1. **Transportation service.**—Under this general heading are classed miles run by cars in revenue freight or passenger service, subdivided as follows:

1. Freight car miles.
 - A. Loaded freight car miles.
 - B. Empty freight car miles.
 - C. Caboose car miles.
2. Passenger car miles.
 - A. Passenger car miles.
 - B. Sleeping, parlor and observation car miles.
 - C. Dining Car miles.
 - D. Other passenger-train car miles.
3. Mixed train car miles.
 - A. Freight car miles—Loaded.
 - B. Freight car miles—Empty.
 - C. Caboose car miles.
 - D. Passenger car miles.
 - E. Sleeping, parlor and observation car miles.
 - F. Dining car miles.
 - G. Other passenger-train car miles.
4. Special-train car miles.
 - A. Freight car miles—Loaded.
 - B. Freight car miles—Empty.
 - C. Caboose car miles.
 - D. Passenger car miles.
 - E. Sleeping, parlor and observation car miles.
 - F. Dining car miles.
 - G. Other passenger-train car miles.

2. Work service.—Under this general heading are classed the miles of all cars (except equipment assigned exclusively and permanently for work service) run in work trains as defined in the classification of train-miles.

D. General

The miles run by trains, locomotives and cars are computed on the basis of actual distances; miles of locomotives in switching service are computed on the basis of 6 miles per hour. The miles of trains, locomotives and cars in work service are based on actual distances when running between terminals and when not ordered to work at some specific point or within specific working limits, with an additional allowance of 6 miles per hour for the time working at the specific point or within the working limits named.

All records covering the movement of trains, locomotives and cars, are maintained in the office of the car accountant where mileage statistics are kept and all data reflecting the movement of trains recorded.

The instructions issued by the Interstate Commerce Commission in respect to train, locomotive and car miles, will be found in "Classification of Train-miles, Locomotive-miles and Car-miles for Steam Roads, Effective July 1, 1914." (See Appendix D)

CHAPTER VIII

UNITS OF TRANSPORTATION

As explained in the preceding chapter, trains produce transportation which is a combination of quantity and distance. Two kinds of transportation are furnished, namely, freight and passenger.

A. Unit of Freight Transportation

Freight transportation is represented by the quantity and distance (miles) over which it is transported, designated by the technical term "Ton-miles."

$$\text{Ton-miles} = \text{Tons} \times \text{Distance}$$

The unit of freight transportation is the "Ton-mile"; that is, one ton of freight carried one mile.

B. Gross Ton Miles

Gross ton-miles represents the weight of the freight, plus the weight of the equipment in which it is carried multiplied by the distance.

$$\text{Gross ton-miles} = \text{Weight of freight} + \text{Weight of equipment} \times \text{Distance}$$

C. Unit of Passenger Transportation

Passenger transportation is represented by the number of passengers and the distance (miles) over which they are carried, designated by the technical term "Passenger-miles."

$$\text{Passenger-miles} = \text{Passenger} \times \text{Distance}$$

The unit of passenger service is the "Passenger-mile"; that is, a passenger carried one mile.

D. Traffic Statistics

The following exhibit shows the movement of freight and passenger traffic, east and west bound; local and through traffic are shown separately. This exhibit is compiled by the

auditor from the agent's monthly freight and ticket reports and from foreign-line freight abstracts and reports of ticket sales.

Ton-miles and passenger-miles are computed on the basis of actual distances.

FREIGHT TRAFFIC MOVEMENT		1 <i>Tons Carried</i>	2 <i>Ton Miles</i>	3 <i>Average Distance Carried</i>	4 <i>Revenue</i>	5* <i>Average Revenue Per Ton Mile</i>
REVENUE FREIGHT						
LOCAL:	East or South.	537,767	27,205,632	50.59	641,508.80	2.358
	West or North.	439,991	12,808,688	29.11	389,224.48	3.039
Total.		977,758	40,014,320	40.95	1,030,733.28	2.576
THROUGH:	East or South.	364,672	36,467,200	100.00	369,412.73	1.013
	West or North.	243,115	24,311,530	100.00	317,742.79	1.306
Total.		607,787	60,778,730	100.00	687,155.52	1.131
TOTAL FREIGHT REVENUE..		1,585,545	100,793,050	63.57	1,717,888.80	1.704
*NON-REVENUE FREIGHT....		79,224	3,525,468	44.50		
TOTAL FREIGHT.....		1,664,769	104,318,518	62.66	1,717,888.80	

*Material and supplies for railroads' own use.

**Average revenue per ton-mile = 4, Revenue \div 2, Ton Miles

PASSENGER TRAFFIC MOVEMENT		6 <i>Passengers Carried</i>	7 <i>Passenger Miles</i>	8 <i>Average Distance Carried</i>	9 <i>Revenue</i>	10* <i>Average Revenue Per Passenger Mile</i>
LOCAL:	East or South.	138,900	3,647,000	26.26	187,358.00	5.14
	West or North.	116,505	3,646,914	31.30	188,910.14	5.18
Total.		255,405	7,293,914	28.56	376,268.14	5.16
THROUGH:	East or South.	55,799	5,579,800	100.00	128,893.38	2.31
	West or North.	53,610	5,361,069	100.00	121,952.06	2.27
Total.		109,409	10,940,869	100.00	250,845.44	2.29
TOTAL PASSENGERS...		364,814	18,234,783	49.98	627,113.58	3.43

*Average revenue per passenger mile = 9, Revenue \div 7, Passenger Miles.

The following exhibit shows the tonnage carried by commodities grouped under five general headings, as follows:

COMMODITIES	<i>Tons Carried</i>	<i>Per Cent of Total</i>
Products of agriculture.....	356,427	21.41
Products of animals.....	40,120	2.41
Products of mines.....	494,603	29.71
Products of forests.....	335,617	20.16
Manufactures and miscellaneous	438,002	26.31
Total Revenue Freight.....	1,664,769	100.00

E. Miles of Road Operated

A road may consist of a single main track with the necessary spurs, sidings and yard tracks, or it may have one or more additional main tracks. The "Miles of Road Operated" as used in the following statistics, is the single-track mileage or distance between terminals.

CHAPTER IX

OPERATING RESULTS AND STATISTICS

The following exhibit shows the operating revenues and operating expenses, under the various general headings.

The service is shown in train, locomotive and car-miles, and the transportation, or product, is expressed in ton-miles and passenger-miles.

The result of operations is reduced to the different units and the relations of these units to one another will be explained in the following pages.

A. Operating Revenues and Expenses

1. Railway operating revenues.—

TRANSPORTATION—RAIL LINE

1. Freight	\$1,717,888.80	
2. Passenger	627,113.58	
3. Excess baggage	6,574.72	
4. Parlor and chair cars.....	108.80	
5. Mail	36,162.38	
6. Express	83,135.48	
7. All other transportation.....	36,853.58	
	<hr/>	
8. Total transportation Rail line.....	\$2,507,837.34	
9. Incidental	\$69,583.44	
	<hr/>	

JOINT FACILITY

10. Joint facility—Cr.....	\$1,661.68	
11. Joint facility—Dr.	562.58	\$1,099.10
	<hr/>	
12. Total railway operating revenues.....	\$2,578,519.88	
	<hr/>	

2. Railway operating expenses.—

13. Maintenance of Way and Structures.....	\$421,988.82
14. Maintenance of equipment	477,881.42
15. Total maintenance	<u>\$899,870.24</u>
16. Traffic	41,823.40
17. Transportation—Rail line	951,106.72
18. Miscellaneous operations	41,536.50
19. General	85,215.38
20. Transportation for investment—Cr.....	4,163.26
21. Total railway operating expenses.....	<u>\$2,015,388.98</u>
22. Net railway operating revenues.....	<u>\$563,130.90</u>
23. Ratio of operating expenses to operating revenues.....	<u>78.16%</u>

3. Summary of operating expenses—Rail line.

24. Maintenance of way and structures.....	\$421,988.82
25. Maintenance of equipment.....	477,881.42
26. Traffic	41,823.40
27. Transportation—Rail line	951,106.72
28. General	85,215.38
29. Total operating expenses—Rail line.....	<u>\$1,978,015.74</u>
Segregated between passenger service and freight service in accordance with rules prescribed by Interstate Commerce Commission:	
30. Freight service expenses.....	\$1,331,703.06
31. Passenger service expenses.....	646,312.68
32. Total	<u>\$1,978,015.74</u>
33. Average miles operated.....	<u>100</u>
34. Average operating revenue per mile of road.....	\$25,785.19
35. Average operating expenses per mile of road.....	<u>20,153.88</u>
36. Average net operating revenue per mile of road.....	<u>\$5,631.31</u>

23. Ratio of operating expenses to operating revenues=Item 21 \times 100
 \div Item 12.

The per cent of operating revenues absorbed by the operating expenses, or the "Operating Ratio," merely indicates whether or not expenses are in a healthy and profitable proportion to the earnings; it cannot be used as an index to either the earning power of the road or the economy of operation.

34. Average operating revenue per mile of road = Item 12 \div Item 33.

35. Average operating expenses per mile of road = Item 21 \div Item 33.

36. Average net operating revenue per mile of road = Item 22 \div Item 33.

Operating revenues and expenses are reduced to the average per mile of road operated for the purpose of comparison.

67. Ratio of freight revenue to total operating revenue = Item 1 \times 100 \div Item 8.

95. Ratio of passenger revenue of total operating revenue = Item 2 \times 100 \div Item 8.

The relation of freight revenue and passenger revenue to the total operating revenue, expressed in per cent, has no significance in itself; it simply serves to show the character of the business in a general way.

B. Operating Statistics

1. Train miles.—

37. Freight	189,140
38. Passenger	237,824
39. Mixed	14,804
40. Special	438
41. Total transportation service	<u>442,206</u>

2. Locomotive miles.—

42. Freight	236,284
43. Passenger	242,656
44. Mixed	15,578
45. Special	582
46. Train switching.....	14,020
47. Yard switching	<u>87,534</u>
48. Total transportation service	596,654
49. Work service	14,978
50. Construction service	<u>202</u>
51. Total locomotive miles.....	<u>611,834</u>

3. Car miles.—

FREIGHT TRAIN (including mixed)

52. Loaded	4,798,970
53. Empty	<u>2,810,204</u>
54. Total loaded and empty	7,609,174
55. Caboose	<u>196,762</u>
56. Total freight train.....	<u>7,805,936</u>

PASSENGER TRAIN

57. Passenger, sleeping, parlor and observation.....	1,144,402
58. Dining and other passenger train.....	605,076
59. Total passenger train	1,749,478

SPECIAL TRAIN

60. Freight	5,936
61. Caboose	454
63. Passenger	2,228
64. Total special train	8,618
65. Total car-miles	9,564,032

C. Freight Service

66. Freight revenue	\$1,717,888.80
67. Per cent of total operating revenues.....	68%
68. Freight service expenses	1,331,703.06
69. Freight service train miles	200,574
70. Freight service locomotive miles.....	247,948
71. Tons carried—revenue freight.....	1,585,545
72. Tons carried—non revenue freight.....	79,224
73. Tons carried—all freight.....	1,664,769
74. Ton miles—revenue freight.....	100,793,054
75. Ton miles—non revenue freight.....	3,525,468
76. Ton miles—all freight.....	104,318,518
77. Gross ton miles—all freight.....	286,327,560
78. Ton miles per mile of road—revenue freight.....	1,007,931
79. Loaded cars per train.....	23.93
80. Total cars per train (including caboose).....	38.92
81. Per cent of loaded cars to total cars per train (including caboose)	61.49
82. Net tons per loaded car—revenue freight.....	21.00
83. Net tons per loaded car—all freight.....	21.74
84. Net tons per train—revenue freight.....	502.52
85. Net tons per train—all freight.....	520.09
86. Gross tons per train—all freight.....	1,427.54
87. Gross tons per locomotive—all freight.....	1,136.84
88. Average distance carried—revenue freight.....	63.57
89. Revenue per ton mile—revenue freight, cents.....	1.704
90. Freight service expenses per ton mile, cents.....	1.321
91. Revenue per loaded freight car mile, cents.....	35.795
92. Revenue per freight train mile.....	8.56
93. Freight service expenses per freight train mile.....	6.64

Note: Items 69 and 70 include proportion of mixed train and locomotive miles.

Items 66 to 77, showing the freight service expressed in train and locomotive-miles, the cost of the freight service, the transportation, or product, expressed in tons and ton-miles, and the revenue derived from the freight transportation, have been explained fully in the preceding chapters. The different aver-

ages and their purposes, and the method of computing them, will be explained in the following pages.

78. Ton miles (revenue freight) per mile of road = $\text{Item 74} \div \text{Item 33}$.

This expresses the density of freight traffic; it is used as an index to the freight-earning capacity of the road.

79. Loaded cars per train = $\text{Item 52} \div \text{Item 69}$.

80. Total cars per train = $\text{Item 56} \div \text{Item 69}$.

81. Per cent of loaded cars to total cars per train = $\text{Item 79} \times 100 \div \text{Item 80}$.

Items 79, 80 and 81 show the freight-train service in cars moved and the percentage of cars moved empty. Every movement of an empty car increases the cost of service, and one of the most important duties of the railroad manager is to secure return loads; item 81 indicates the extent to which this has been accomplished.

The per cent of loaded cars to total cars per train could be 100 only if the movement of traffic in one direction equalled that going in the other direction. The statement of freight traffic movement shows direction of tonnage, and explains the percentage of empty car mileage to total.

82. Net tons per loaded car (revenue freight) = $\text{Item 74} \div \text{Item 52}$.

83. Net tons per loaded car (all freight) = $\text{Item 76} \div \text{Item 52}$.

Items 82 and 83 show the loading of cars or the "Car-load." The cost of transportation is directly affected by the loading of cars; hence it is imperative, wherever possible, that cars be loaded to their full capacity. Local freight is handled in relatively smaller car-loads than through freight; the loading of cars further varies with the character of the commodity loaded; therefore the statements of freight traffic movement showing the percentage of local and through freight, and commodities, should be examined in connection with these items.

84. Net tons per train (revenue freight) = $\text{Item 74} \div \text{Item 69}$.

85. Net tons per train (all freight) = $\text{Item 76} \div \text{Item 69}$.

Items 84 and 85 show the loading of trains, or the "Train-load." Local freight is handled in relatively smaller train-loads than through freight; the train-load is further affected by the car-load; the short haul also works against a heavy train-load; hence the average haul, and the percentage of local and through freight to all freight should be considered in connection with these items.

86. Gross tons per train (all freight) = Item 77 \div Item 69.

87. Gross tons per locomotive (all freight) = Item 77 \div Item 42 + Item 44.

Gross tons per train and per locomotive represent the weight of the freight and cars in which the freight is carried.

Owing to the difference in grades and curvature existing on different divisions, locomotives of the same class are given different tonnage ratings on different divisions, according to their hauling capacity.

Trains are made up at terminals with a view to making the load conform as nearly as possible to the tonnage rating of the locomotive.

Items 86 and 87 indicate to what extent the actual train-load conforms to the rating.

88. Average distance carried (revenue freight) = Item 74 \div Item 71.

The average distance carried, or the "Average Haul," is useful in comparing the train-load, freight-revenue and freight-service expenses.

89. Revenue per ton mile (revenue freight) = Item 66 \div Item 74.

The average revenue per ton-mile, or the "Ton-mile Revenue" indicates the paying character of the freight traffic. It varies according to the character of the freight, quantity offered for transportation at a given time (rates for less-than-car-loads being higher than for car-loads) and the average haul.

The rate-making power being under the jurisdiction of the Interstate Commerce Commission and State Railroad Commissions, ton-mile revenue is beyond the control of the management. Charges for freight service are "what the traffic will bear." This oft-misquoted phrase must not be taken in an odious sense; it simply means that freight rates are fixed to meet the commercial wants of the territory served by the railroads; in other words, rates are made to enable every commodity to reach a favorable market.

Several factors, therefore, enter into the making of the freight rate, namely, cost of service, character and value of the goods, quantity offered for transportation at a given time, economic conditions, and competitive requirements.

Comparison of the ton-mile revenue, for different periods or different roads, should be made in connection with the statements of freight traffic movement showing the classification

between local and through freight, and between different commodities and the average haul.

90. Freight service expenses per ton mile (revenue) = Item 68 \div Item 74.

Freight service expenses per ton-mile, or the "Ton-mile Cost" varies according to conditions, namely, average haul, percentage of empty car mileage, car-load and train-load, all of which should be considered in connection with ton-mile cost.

Transportation service consists of the actual transportation, and terminal service which is preparatory and complementary to the transportation. Transportation service varies with distance, while terminal service remains constant; hence ton-mile cost varies inversely with the average haul.

91. Revenue per loaded freight-car mile = Item 66 \div Item 52.

92. Revenue per freight-train mile = Item 66 \div Item 69.

Owing to the fluctuation in freight revenue, these items can not be used either as a measure of revenue or transportation and have little practical value.

93. Freight-service expenses per freight-train mile = Item 68 \div Item 69.

This shows the relative economy of freight transportation. The cost per freight-train mile is affected directly by the car-load and train-load which includes the empty cars; hence these items should be considered in connection with item 93.

D. Passenger Service

94. Passenger revenue	\$627,113.58
95. Per cent of total operating revenue	25%
96. Passenger service train revenue.....	\$768,403.44
97. Per cent of total operating revenue.....	30%
98. Passenger service expenses.....	\$646,312.68
99. Passenger service train miles.....	241,196
100. Passenger service locomotive miles.....	246,571
101. Passengers carried—revenue.....	364,814
102. Passenger miles—revenue.....	18,234,783
103. Passenger miles per mile of road—revenue passengers.....	182,348
104. Passenger-carrying cars per train.....	4.75
105. Passenger train cars per train.....	7.25
106. Passengers per passenger car—revenue passengers.....	15.93
107. Passengers per train—revenue passengers.....	75.60
108. Average distance carried—revenue passengers.....	49.98
109. Passenger revenue per passenger mile—cents.....	3.43
110. Passenger-service expenses per passenger mile, cents.....	3.54
111. Passenger revenue per passenger car mile, cents.....	54.80
112. Passenger revenue per passenger-service train mile.....	2.60
113. Passenger-service train revenue per passenger-service train mile	3.19
114. Passenger-service expenses per passenger-service train-mile	2.68

Note: Items 99 and 100 include proportion of mixed train and locomotive miles.

Items 94 to 102, showing the passenger service expressed in train and locomotive miles, the cost of passenger service, the transportation or product expressed in passengers and passenger miles, and the revenue derived from the passenger service have been explained fully in the preceding chapters.

The different averages and their purposes, and the method of computing them, will be explained in the following pages.

103. Passenger miles per mile of road = Item 102 \div Item 33.

This expresses the density of passenger traffic; it is used as an index to the passenger earning capacity of the road.

104. Passenger-carrying cars per train = Item 57 \div Item 99.

105. Passenger-train cars per train = Item 59 \div Item 99.

Items 104 and 105 show the passenger-train service in cars.

106. Passengers (revenue) per passenger car = Item 102 \div Item 57.

107. Passengers (revenue) per train = Item 102 \div Item 99.

Items 106 and 107 show the loading of passenger cars and passenger trains expressed in number of passengers. As the economy of freight service depends largely upon the car-load and train-load, so does the economy of passenger service depend upon the number of passengers per car and per train; the management, however, has not the same control over passenger service as it has over freight service. Railroads are compelled by regulations of State railroad commissions to maintain certain passenger-train schedules and must run certain trains regardless of the number of passengers. Items 106 and 107, therefore, are of no particular importance except on roads with a high passenger density, where train service can be proportionate to the volume of passenger business.

108. Average distance carried (revenue passengers) = Item 102 \div Item 101.

The average distance carried or the "Average haul" is useful in connection with comparison of passenger revenue and passenger service expenses.

109. Passenger revenue per passenger mile = Item 94 \div Item 102.

The average revenue per passenger mile, or the "Passenger-mile Revenue," indicates the paying character of the passenger traffic. While ton-mile revenue varies, passenger-mile revenue tends to be constant; it is affected directly by the average haul, and any fluctuations should be examined in connection

with the statement of passenger-traffic movement showing the percentage of local and through traffic.

110. Passenger-service expenses per passenger mile = Item 98 \div Item 102.

Passenger service expenses per passenger mile, or the "Passenger-mile Cost," varies inversely with the average haul and directly with the number of passengers per car and per train; in other words, the car-load and train-load. As explained under the head of "Passengers per Car" and "Passengers per Train," the management has not the same control over passenger service as over freight service for the reason that certain passenger schedules must be maintained, and train service can be proportioned to the volume of passenger business only on roads with high passenger density.

111. Passenger revenue per passenger-car mile = Item 94 \div Item 57.

112. Passenger revenue per passenger-service train mile = Item 94 \div Item 99.

113. Passenger-service train revenue per passenger-service train mile = Item 96 \div Item 99.

Owing to the fluctuations in passenger revenue, these items can not be used either as a measure of revenue or transportation; hence, they are of no particular importance.

114. Passenger-service expenses per passenger service train mile = Item 98 \div Item 99.

This shows the relative economy of the passenger transportation. (See remarks under Item 110)

E. Locomotive Service

The following exhibits show the performance of freight locomotives and passenger locomotives. With the explanation of operating statistics contained in the preceding paragraphs, statistics of locomotive service are easily understood and need no further explanation.

1. Locomotive service—freight.—

1. Freight-locomotive miles (including locomotives in mixed train service)	251,862
2. Freight-car miles, loaded.....	4,798,970
3. Freight-car miles, empty	2,810,204
4. Gross-ton miles	286,327,560
5. Tons of fuel consumed (4 bbls. of fuel oil = 1 ton of coal) ..	24,019
6. Pints of lubricating oil used.....	26,194
7. Pounds of waste used	2,367
8. Gross tons per locomotive.....	1,137
9. Pounds of fuel per 1000 gross-ton miles.....	168

OPERATING RESULTS AND STATISTICS

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10. Pounds of fuel per locomotive mile.....	10.40
11. Pints of lubricating oil per 100 locomotive miles.....	.94
12. Cars per locomotive, loaded.....	19.05
13. Cars per locomotive, empty.....	11.16

2. Locomotive service—passenger.—

14. Passenger-locomotive miles (excluding locomotives in mixed trains)	242,656
15. Passenger-train car miles	1,749,478
16. Tons of fuel consumed.....	11,104
17. Lubricating oil used, pints.....	33,969
18. Pounds of waste used	2,281
19. Pounds of fuel per locomotive mile.....	90.01
20. Pounds of fuel per car mile.....	12.69
21. Pints of lubricating oil per 100 locomotive miles.....	10.53
22. Pounds of waste per 100 locomotive miles.....	.94
23. Cars per locomotive.....	7.21

3. Average cost per mile run.—

TRANSPORTATION SERVICE

24. Total miles run by locomotives in transportation service....	596,654
Average cost per mile run:	
25. Repairs—cents	30.70
26. Replacements—cents	2.07
27. Engineman—cents	18.66
28. Engine-house expenses—cents	8.01
29. Fuel—cents	48.63
30. Water—cents	2.02
31. Lubricants—cents72
32. Other supplies—cents79
33. Total—cents	111.60

On most of the important railroad systems, the cost of locomotive service per mile run is computed separately for freight locomotives and for passenger locomotives.

In addition to the cost per locomotive mile, the cost of locomotive service is usually reduced to the average cost per thousand gross-ton miles.

PART THREE

THE RAILROAD REPORT

An annual report is published by all important railroads at the end of each fiscal year, showing the results of the operations for the year and the physical and financial condition at the end of the year. The report follows the form prescribed by the Interstate Commerce Commission, so that there now exists a more or less uniform railroad report, making possible comparison of results and conditions between different roads.

The report is made up in three parts, namely:

1. The income account intended to show the earning power of the road.
2. The financial statement or general balance sheet, intended to show the financial condition of the company.
3. Physical statistics intended to show the physical characteristics and condition of the property.

CHAPTER X

INCOME ACCOUNT

The basis of value of railroad securities, as in fact the basis of value of the securities of all public service corporations, is the earning power of the property; the most important parts of the report, therefore, are those dealing with the income and expenses, net income, and the application of net income.

The Income account in condensed form is as follows:

<i>Debits</i>		<i>Credits</i>	
Railway operating expenses (including taxes).....	\$2,015,388.98	Railway operating revenue	\$2,578,519.88
Expenses of miscellaneous operators (including taxes)	40,710.00	Revenues from miscel- laneous operations.....	50,650.00
Interest on funded debt....	100,000.00	Non-operating Income....	1,619.50
Interest on unfunded debt.	4,500.00	Other credits.....	700.00
Other fixed charges.....	7,250.00		
Net income.....	463,640.40		
Total.....	\$2,631,489.38	Total.....	\$2,631,489.38

DISPOSITION OF NET INCOME

Income applied to sinking fund and other reserves.....	\$ 40,000.00
Dividend appropriation of income.....	240,000.00
Income appropriated for investment in physical property.....	100,000.00
Stock discount extinguished through income.....	2,000.00
Miscellaneous appropriations.....	5,000.00
Total appropriations of income.....	\$387,000.00
Balance transferred to profit and loss.....	76,640.40
Total.....	\$463,640.40

The Profit and Loss account is an adjunct to the Income account and shows the application of the company's surplus income; also profits or losses accruing from the operations of previous years.

PROFIT AND LOSS ACCOUNT

<i>Debits</i>		<i>Credits</i>	
Dividend appropriation of surplus.....	Balance Dec. 31, 1920.....	\$ 93,475.77
Surplus appropriated for investment in physical property.....	\$100,000.00	Credit balance transferred from income.....	76,640.40
Delayed income debits.....	825.00	Delayed income credit.....	750.00
Balance carried to balance sheet.....	70,041.17		
Total.....	\$170,866.17	Total.....	\$170,866.17

Holders of railroad securities are interested (1) in the ability of the road to pay interest on its funded debt, (2) in the ability to pay dividends.

The balance of net income, after deducting all fixed charges, such as hire of equipment, rents, and interest on unfunded debt, is available for the payment of interest on funded debt.

From the balance, after deducting the interest on its funded debt, must be appropriated amounts required for sinking and other reserve funds, amounts set aside for investment in physical property, et cetera; the balance is applicable to dividends. Dividends, therefore, are largely dependent upon the appropriations for investment in physical property.

It is important to note the ratio of interest and other fixed charges to net revenues; for the purpose of comparison, the same should be reduced to the average per mile of road operated. Any fluctuation in the interest on the funded debt is reflected in changes in funded debt outstanding. (See remarks under the head of "General Balance Sheet.")

Accompanying the Income account the report contains exhibits of the operations, showing in detail the operating revenues and operating expenses and general operating statistics; it also contains statements of freight and passenger traffic, by movements eastbound and westbound, separately for local traffic and through traffic. All of these have been explained fully in Part Two of this book.

With a clear understanding of these statistics and their uses, an analysis of a railroad report, and comparison of the results between different periods or different roads, is not difficult and only a few general suggestions are necessary.

Only such roads as are operating in the same territory and under similar conditions, should be selected for comparison.

A. Operating Revenues

Compare the operating revenues per mile of road operated for a number of years and ascertain the reason for any marked increase or decrease. In connection with any fluctuations in freight revenue or passenger revenue, a comparison of the character and movement of the traffic as shown by the statements of freight and passenger traffic will be of interest.

Revenues other than freight and passenger are not important enough to require special attention.

B. Operating Expenses

Railway operating expenses under the classification prescribed by the Interstate Commerce Commission are classified under the following general headings:

1. Maintenance of way and structures.
2. Maintenance of equipment.
3. Traffic.
4. Transportation.
5. General expenses.

For the purpose of comparison, railway operating expenses may be divided into three classes, namely: (1) Maintenance; (2) Transportation; and (3) Traffic and general expenses. Maintenance and transportation expenses are directly affected by the volume of business handled, while traffic and general expenses, which are more or less fixed in their nature, tend to remain constant and vary but little with the amount of business done.

While the roadway, track, equipment, et cetera, should be maintained up to the highest state of efficiency and safety, maintenance expenses nevertheless are subject to the discretion of the management to a considerable extent. Comparison of maintenance of way expenses per mile of road and maintenance of equipment per locomotive and per car for a series of years and for different roads, operating under similar conditions, will tend to indicate the sufficiency of these expenses.

In comparing the cost of maintenance of way per mile of road, due consideration should be given to the statement of work done during the year and the condition of the roadway

and track at the close of the year compared with the condition at the beginning of the year, due regard being given to any marked fluctuations in the price of material.

In comparing the cost of maintenance per locomotive or per car, due consideration should be given to the statement of work done and condition of the equipment.

Transportation expenses vary with the volume of business handled, and the ratio of these expenses to gross operating revenue may be used as the measure of efficiency and economy of the management, proper attention being paid to fluctuations in the ton-mile revenue and passenger-mile revenue.

The efficiency and economy of transportation depends partly upon the density of traffic, but mainly upon the car-load and train-load. In the measure of transportation expenses, therefore, comparison should be made with the density of traffic, traffic movement east and west-bound, the character of freight, the average car-load and average train-load.

Traffic and general expenses, as stated, vary but little with the amount of business handled; any marked fluctuations, therefore, in the same should be explained.

CHAPTER XI

FINANCIAL STATEMENT

Next in importance to the Income account is the financial statement or general balance sheet, showing the assets and liabilities of the company which in condensed form is as follows:

ASSETS

INVESTMENTS:

Investments in road and equipment.....	\$9,010,000.00	
Sinking fund	250,000.00	
Miscellaneous physical property	135,500.00	
Investments in affiliated companies.....	250,000.00	
Other investments	1,250.00	
		<hr/>
	\$9,646,750.00	
Less reserve for depreciation	575,840.00	
		<hr/>
		\$9,070,910.00

CURRENT ASSETS:

Cash	\$150,750.50	
Special deposits	50,000.00	
Loans and bills receivable.....	25,000.00	
Traffic and car-service balances receivable.....	7,550.00	
Net balances receivable from agents and conductors	85,675.57	
Miscellaneous accounts receivable.....	1,125.00	
Materials and supplies.....	250,152.00	
Other current assets.....	1,000.00	
		<hr/>
		\$571,253.07

DEFERRED ASSETS:

Working fund advances.....	\$33,850.00	
Other deferred assets	66,150.00	
		<hr/>
		\$100,000.00

UNADJUSTED DEBITS:

Rents and insurance paid in advance.....	\$14,000.00	
Other unadjusted debits	26,750.00	
		<hr/>
		\$40,750.00

TOTAL ASSETS	\$9,782,913.07	<hr/> <hr/>
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LIABILITIES

CAPITAL STOCK.....		\$6,000,000.00
LONG TERM DEBT:		
Funded debt unmatured.....	\$2,000,000.00	
Other long term debt.....	100,000.00	
		<hr/> \$2,100,000.00
CURRENT LIABILITIES:		
Loans and bills payable.....	\$75,000.00	
Audited accounts and charges payable.....	252,750.50	
Miscellaneous accounts payable	3 220.00	
Other current liabilities.....	1,500.00	
		<hr/> \$332,470.50
DEFERRED LIABILITIES:		
Liability for provident funds.....	\$10,000.00	
Other deferred liabilities.....	5,750.00	
		<hr/> \$15,750.00
UNADJUSTED CREDITS:		
Tax liability	\$47,773.50	
Insurance and casualty reserves	18,770.00	
Operating reserves	26,197.90	
Other unadjusted credits.....	1,000.00	
		<hr/> \$93,741.40
SURPLUS:		
Additions to property through surplus.....	\$720,910.00	
Sinking fund reserves.....	250,000.00	
Appropriated surplus not specifically invested....	200,000.00	
		<hr/> \$1,170,910.00
Profit and loss	70,041.17	
		<hr/> \$1,240,951.17
TOTAL LIABILITIES		<hr/> <hr/> \$9,782,913.07

The titles of the accounts are explained fully in Appendix A.

The assets and liabilities are grouped, in order clearly to indicate their character. Under "Investment" are shown the cost of the road and equipment and other permanent investments, generally referred to as "Capital Assets," and against these items the "Capital Liabilities;" that is, the capital stock, funded and other long term debts, et cetera. Under "Current" are shown the liabilities which must be met currently and the assets available for their payment. Under "Deferred" and "Unadjusted" are shown the revenues and expenses deferred to future years, reserves, unadjusted accounts, and so forth.

The surplus is separated to show the amount invested in permanent assets and in convertible assets.

The balance sheet is usually published in comparative form, showing the changes for the year in each account; the changes on one side of the balance sheet practically explain the changes on the other side.

1. Investment in road and equipment.—There are few, if any, railroads where the investment in physical property shown does not include some items representing no value; this account, therefore, seldom represents the actual cost of construction.

For this reason Congress found it necessary to authorize a valuation of the railroad properties. The importance of this account is found in the changes from year to year which are reported in detail by most railroads in a statement of "Additions and Betterments to Road and Equipment, etc."

2. Current assets and liabilities.—The excess of current assets over current liabilities represents the company's working capital. As a measure of safety, a certain margin of current assets over current liabilities should always exist.

3. Deferred assets and liabilities.—Any unusually large balances to the debit or credit of unadjusted accounts should be scrutinized.

PHYSICAL STATISTICS

Practically every railroad report contains a statement showing the miles of road, first main track, additional main tracks, yards, and sidings. It shows in detail the repairs and replacements made, the material used, and the condition at the close of the year.

A. Condition of Roadway and Track

1. Mileage operated at the end of the year.—

Miles of first main track.....	100
Miles of additional main track.....	6
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Total miles of first and additional main track.....	106
Miles of sidings	43
<hr/>	
Total miles of all tracks.....	149
<hr/>	

2. Material used in repairs and renewals during the year.—

Miles of new steel rails (track miles) 90 lbs.....	4
Per cent of renewal of all rail in track.....	2.5
Number of treated ties.....	30,448
Number of untreated ties.....	16,766
Total number of ties.....	47,214
Equal to miles of continuous track.....	15.7
Per cent of renewal of all ties in track.....	10.3
Number of tie plates.....	41,129
Equal to miles of continuous track.....	7.2
Number of angle bars.....	1,467
Equal to miles of continuous track.....	2.3
Number of continuous rail joints.....	4,328
Equal to miles of continuous track.....	6.8
Creosoted piling, lineal feet	3,017
Untreated piling, lineal feet.....	5,462
Creosoted lumber, feet C.M.....	14,728
Untreated lumber, feet C.M.....	220,848

3. Condition at the close of the year.—

		<i>Per cent of Total</i>
Miles of steel rail in main track (track miles).....	100	100
Miles of steel rail in sidings (track miles).....	42	97.76
Miles of iron rail in main track (track miles).....
Miles of iron rail in sidings (track miles).....	1	2.24
Total number of tie plates in track.....	545788	..
Equal to miles of continuous track.....	94.9	..
Stone arch bridges, lineal feet.....	53	2.87
Metal spans on masonry, concrete or cylinder piers.....	1507	81.56
Metal spans on creosoted timber piers, lineal feet.....	90	4.87
Metal spans on untreated timber piers, lineal feet.....	65	3.52
Combination and wooden spans on masonry, concrete or cylinder piers, lineal feet.....	51	2.76
Combination and wooden spans on timber piers, lineal feet	83	4.48
Total bridges, lineal feet.....	1849	..
Ballast deck trestles, lineal feet.....	4258	38.91
Open deck trestles, lineal feet.....	6686	61.09
Total trestles of all kinds, lineal feet.....	10944	..
Trestling on masonry, concrete or cylinder piers, lineal feet	189	1.73
Trestling on creosoted piling, lineal feet.....	6295	57.52
Trestling on untreated piling, lineal feet.....	4460	40.75
Number of treated ties in track.....	208422	45.44
Number of untreated ties in track.....	250250	54.66
Total number of all ties in track.....	458672	..
Miles in main line track ballasted.....	81	76.42
Miles of main line track to be ballasted.....	10	9.43
Miles of main line track not requiring ballast..	15	14.15

A comparison of the condition of the roadway and track at the close of the year, with the condition reported at the end of the preceding year, will indicate the improvements in the efficiency of the roadway and track.

It will show, for example, the miles of road ballasted, the improvement in class and weight of rail, the renewals and changes in the class of ties, the improvements in the construction of bridges, trestles, and so forth.

A comparison of the work done with the work done during the preceding year or years should be made in connection with the expenses for maintenance of roadway and track.

B. Equipment

In addition to the statement showing the condition of the roadway and track, practically all railroad reports contain statements showing the equipment owned, its condition and class of service, and the average cost of repairs and renewals for the year as illustrated in the following exhibits:

1. Locomotives owned and condition.—

<i>Type</i>	<i>Owned This Year</i>	<i>Owned Last Year</i>	<i>Changes for the Year</i>		<i>Average Weight</i>	
			<i>Added</i>	<i>Vacated</i>	<i>Total</i>	<i>on Drivers</i>
Six-wheel switcher.....	4	3	1		66.45	66.20
Eight wheel.....	3	3			55.74	36.06
Ten wheel.....	6	6			71.79	57.26
Mogul.....	4	5		1	81.12	69.77
Consolidation.....	4	3	1		105.27	93.93
Total.....	21	20	1		76.05	64.65

	<i>Number</i>	<i>Per Cent</i>
In thorough order.....	9	42.86
In good order.....	6	28.58
In service, requiring repairs.....	3	14.28
In shop.....	3	14.28
Total.....	21	100.

Average number on line (owned and foreign).....	20
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AVERAGE COST PER LOCOMOTIVE PER ANNUM

For repairs.....	\$8,882.00
For replacements (depreciation and retirements).....	593.00
Total.....	\$9,475.00

2. Passenger train cars owned and class.—

<i>Description</i>	<i>Owned This Year</i>	<i>Owned Last Year</i>	<i>Changes during the Year</i>	
			<i>Added</i>	<i>Vacated</i>
Baggage, mail and express.....	6	6		
Baggage and passenger.....	2	2		
Chair.....	4	4		
Coach.....	9	10		1
Composite.....	2	2		
Dining.....	2		2	
Total.....	25	24	1	

<i>Summary</i>	<i>This Year</i>	<i>Last Year</i>	<i>% of Total</i>	
			<i>This Year</i>	<i>Last Year</i>
All steel cars.....	13	11	52	45.83
Steel underframe cars.....	2	2	8	8.33
Wooden cars.....	10	11	40	45.84
Total.....	25	24	100	100.

Average number owned..... 25 24

AVERAGE COST PER CAR PER ANNUM

For repairs.....	\$1,963.24
For replacements (depreciation and retirements).....	267.44
Total.....	\$2,230.68

3. Freight train cars owned and capacity.—

<i>Freight Train Cars</i>	<i>Owned This Year</i>	<i>Owned Last Year</i>	<i>Changes during the Year</i>		<i>Capacity (Tons) This Year</i>	
			<i>Added</i>	<i>Vacated</i>	<i>Total</i>	<i>Average Per Car</i>
Ballast.....	20	18	2		1,017	48.92
Box.....	269	240	29		12,541	46.58
Box (automobile).....	27	22	5		1,240	45.81
Flat.....	96	103		7	4,506	46.77
Gondola (tight bottom)....	13	13			620	48.03
Gondola (hopper bottom)...	18	17	1		994	55.59
Refrigerator.....	2	2			60	30.00
Stock.....	57	58		1	2,218	38.86
Tank.....	39	38	1		1,780	46.14
Caboose.....	10	9	1			
Total.....	551	520	31		24,976	46.17

<i>Summary</i>	<i>Owned This Year</i>	<i>Owned Last Year</i>	<i>% of Total</i>	
			<i>This Year</i>	<i>Last Year</i>
All steel cars.....	71	68	13	13
Steel underframe.....	341	337	62	65
Wooden cars.....	139	115	25	22
Total.....	551	520	100	100

Average number on line (owned and foreign)..... 670

AVERAGE COST PER CAR OWNED PER ANNUM

For repairs.....	\$254.53
For replacements (depreciation and retirements).....	39.24
Total.....	\$293.77

4. Work equipment owned.—

<i>Description</i>	<i>Owned This Year</i>	<i>Owned Last Year</i>	<i>Changes During the Year</i>	
			<i>Added</i>	<i>Vacated</i>
Ballast distributing.....	1	1		
Boarding.....	26	27		1
Business.....	1	1		
Derrick.....	1	1		
Pile driver.....	1	1		
Roadway ballast.....	2	2		
Roadway box.....	2	2		
Roadway flat.....	5	3	2	
Roadway gondola.....	1	1		
Roadway water cars.....	5	4	1	
Steam shovels.....	1	1		
Tool cars.....	1	1		
Other work equipment.....	2	2		
Total.....	49	47	2	

A comparison of the number of locomotives and cars owned at the close of the year, their capacity and condition, with the number owned at the end of the preceding year, will show the additions or improvements made in the equipment during the year. The tendency of all railroads is to improve the construction of the equipment and increase its carrying capacity; and while in some instances comparison may show a decrease in number, it may on the other hand show an increase capacity.

A comparison of the average cost of repairs and replacements per locomotive and per car should be made in connection with the expenses for maintenance of equipment.

C. Conclusion

One of the most complete and comprehensive railroad reports is published annually by the Southern Pacific Company.

Owing to the diversity of important interests controlled by the Southern Pacific Company, the report covers every phase of organization and operation; therefore, it is in itself a valuable text-book.

APPENDIX A

CLASSIFICATION
OF
INCOME, PROFIT AND LOSS, AND GENERAL
BALANCE SHEET ACCOUNTS
OF
STEAM ROADS
PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION
IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE

ISSUE OF 1914

Effective on July 1, 1914

GENERAL INSTRUCTIONS

The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts provided herein for Income, Profit and Loss, and General Balance Sheet. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to permit ready identification and the detail records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission.

1. When the title and definition of an income, profit and loss, or general balance-sheet account clearly indicate that it is a summary of other accounts, it is not required that a special ledger account shall be kept under such a title to include the balances from the accounts usually kept in the ledger, but in such case the titles of the subaccounts in the ledger shall give references by numbers, titles, or both, to the income, profit and loss, or general balance-sheet account prescribed herein of which they are subdivisions.

2. When the compensation for the use of equipment held under lease includes both rent and maintenance (repairs and depreciation), the lessor shall determine the proportion of gross rent applicable respectively to rent, repairs, and de-

preciation. The lessor shall credit the portion covering rent to the appropriate rent account in Income, the portion covering repairs to the account originally charged or chargeable with the cost of the repairs, and the portion covering depreciation to the accrued depreciation account for equipment. The lessee shall correspondingly charge the portion covering rent to the appropriate rent account in Income, the portion covering repairs to the appropriate equipment repair account, and the portion covering depreciation to the appropriate equipment depreciation account in Operating Expenses.

When the compensation for the use of equipment held under lease covers only rent and depreciation (the lessee being responsible for the current repairs) the lessor shall determine the proportion of the gross rent applicable to rent and that applicable to depreciation. The lessor shall credit the portion covering rent to the appropriate rent account in Income, and the portion covering depreciation to the accrued depreciation account for equipment. The lessee shall charge the portion covering rent to the appropriate rent account in Income, and the portion covering depreciation to the appropriate depreciation account in Operating Expenses.

When the lease provides that the lessee shall be responsible for the maintenance of the leased equipment, the lessee shall charge the estimated current depreciation to the appropriate depreciation account in Operating Expenses, and concurrently credit the amounts thus charged to balance-sheet account No. 778, "Other unadjusted credits." To this latter account shall be charged, to the extent of the credits therein with respect to the equipment, the cost of restoring the depreciation upon the equipment, or the payments made to the lessor for the purpose of compensating for the loss through depreciation at the time the equipment is surrendered.

When the accounting in connection with equipment held under lease requires, under this rule, an apportionment of the compensation as between rent and maintenance, the lessor shall show the distribution of the charges upon its bills, and such distribution shall be adhered to by the lessee.

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SPECIAL INSTRUCTIONS

1. **INCOME ACCOUNTS DEFINED.**—Income accounts are those designed to show, as nearly as practicable, for each fiscal period, the total amount of money that a carrier becomes entitled to receive for services rendered, the returns accrued upon investments, the accrued costs paid or payable for the services rendered by it, the losses sustained by it, the amounts accrued for taxes, for use of moneys and for use of properties of others, and the appropriations made from income during the period. The net balance of income (or loss) shall be carried to Profit and Loss.

2. **DELAYED ITEMS.**—When no provisions have been made through entries in the accounts of this classification for anticipating delayed items chargeable or creditable to Income, and the amount of any such item is relatively so large that its inclusion in the accounts for a single year would seriously distort those accounts, the carrier, if so authorized upon application to the Interstate Commerce Commission, shall distribute to Profit and Loss so much of the amount as may be authorized. The carrier, in its application to the Commission, shall file the full particulars concerning each item and the reasons which in its judgment indicate the propriety of such accounting.

Delayed items are items representing transactions which occurred before the current year.

3. **UNCOLLECTIBLE REVENUE.**—An account is provided for revenue charges against individuals and companies which during the period for which the Income Account is stated have been determined to be uncollectible. This account is provided for the purpose of eliminating from the ledger assets of the carrier, or of writing down to nominal amounts in its asset accounts, items of revenue charges which can not be collected, such as freight charges for which credit has been allowed, or undercharges discovered after the freight has been delivered.

TEXT PERTAINING TO THE INCOME ACCOUNTS

I. CREDITS.

501. RAILWAY OPERATING REVENUES.

This account shall include the total revenues derived from operations as shown in the accounts provided in the classification of operating revenues.

502. REVENUES FROM MISCELLANEOUS OPERATIONS.

This account shall include the total revenues derived from the operation of miscellaneous operating physical property, such as that the cost of which

is includible in balance-sheet account No. 705, "Miscellaneous physical property."

NOTE.—The income from miscellaneous nonoperating physical property shall be included in account No. 511, "Miscellaneous nonoperating physical property."

503. HIRE OF FREIGHT CARS—CREDIT BALANCE.

This account shall include the net credit balance of (1) amounts receivable accrued for the use of the accounting company's freight cars leased or interchanged, and (2) amounts payable accrued for the use of the freight cars of other carriers, leased or interchanged, and for the use of freight cars of individuals and companies not carriers.

NOTE A.—If the net balance is a debit, it shall be included in account No. 536, "Hire of freight cars—Debit balance."

NOTE B.—Rent for freight cars included in the lease of road to another company shall be included in account No. 509, "Income from lease of road."

NOTE C.—Rents paid for freight cars used in construction work-train service are chargeable to the cost of the work. (See general instructions for the classification of investment in road and equipment, section 4c.)

NOTE D.—A fair rent for freight cars used in construction work-train service shall be credited to the account, "Hire of freight cars." (See general instructions for the classification of investment in road and equipment, section 4c.)

504. RENT FROM LOCOMOTIVES.

This account shall include amounts receivable accrued as rent for the use of the accounting company's locomotives leased or interchanged.

NOTE A.—Rent for locomotives included in lease of road to another company shall be included in account No. 509, "Income from lease of road."

NOTE B.—A fair rent for locomotives used in construction work-train service shall be credited to this account. (See general instructions for the classification of investment in road and equipment, section 4c.)

505. RENT FROM PASSENGER-TRAIN CARS.

This account shall include amounts receivable accrued as rent for the use of the accounting company's passenger-train cars leased or interchanged.

NOTE.—Rent for passenger-train cars included in lease of road to another company shall be included in account No. 509, "Income from lease of road."

506. RENT FROM FLOATING EQUIPMENT.

This account shall include amounts receivable accrued as rent for the use of the accounting company's floating equipment leased or chartered.

NOTE.—Rent from floating equipment included in lease of road to another company shall be included in account No. 509, "Income from lease of road."

507. RENT FROM WORK EQUIPMENT.

This account shall include amounts receivable accrued as rent for the use of the accounting company's work equipment leased or interchanged.

NOTE A.—Rent for work equipment included in lease of road to another company shall be included in account No. 509, "Income from lease of road."

NOTE B.—A fair rent for work equipment used in construction work-train service shall be credited to this account. (See general instructions for the classification of investment in road and equipment, section 4c.)

508. JOINT FACILITY RENT INCOME.

This account shall include amounts receivable accrued for rent of tracks, yards, terminals, and other facilities owned or controlled by the accounting company and used jointly with other companies or individuals.

Amounts receivable from other companies in reimbursement for taxes on property jointly used shall be credited to this account.

NOTE.—The portion of the cost of maintenance, operation or administration of joint facilities recoverable from others shall be credited to the various joint facility accounts provided for operating expense. When the compensation for the use of joint facilities is a fixed amount or is based upon a charge per passenger, ton, car, or other unit, it shall be fairly apportioned by the creditor between this account and the appropriate joint facility operating expense accounts.

509. INCOME FROM LEASE OF ROAD.

This account shall include the entire amount receivable accrued for the exclusive use of road, tracks, or bridges (including equipment or other railway property covered by the contract) owned or controlled by the accounting company, whether payable to the accounting company in cash or disbursed by the lessee on behalf of the accounting company as interest on funded debt, guaranteed dividends on stock, or otherwise.

When the lessor company maintains the road and equipment leased, the cost of maintaining the property rented shall be charged to this account, except that when the rent thus receivable for the use of property other than equipment is relatively small and the expense of maintenance is not separable, the entire amount received may be credited to revenue account No. 142, "Rents of buildings and other property."

If, under the terms of a lease, the deficit, or any portion of it, resulting from the lessee company's operations of the property leased is payable by the lessor company, the amount thus payable shall be charged to this account by the lessor.

NOTE A.—When taxes on leased property are assumed by the lessor, the accruals of such taxes shall be included in the lessor's account No. 532, "Railway tax accruals."

NOTE B.—If property the rent of which is chargeable to account No. 542, "Rent for leased roads," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

510. MISCELLANEOUS RENT INCOME.

This account shall include such rents of property owned and controlled by the accounting carrier as are not provided for in the foregoing accounts.

To this account shall be charged the cost of maintenance of the property rented, also specific incidental expenses in connection with such property, such as the cost of negotiating contracts, advertising for tenants, fees paid conveyancers, collectors' commissions, and analogous items.

NOTE A.—If property the rent of which is chargeable to account No. 543, "Miscellaneous rents," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

NOTE B.—Taxes on property the rent of which is creditable to this account shall be charged to account No. 532, "Railway tax accruals."

NOTE C.—The rent from property carried in balance sheet account No. 705, "Miscellaneous physical property," shall not be included in this account, but in account No. 511, "Miscellaneous nonoperating physical property."

NOTE D.—Rent and other income from real estate acquired for new lines or for additions and betterments shall be credited to the appropriate road and equipment accounts until the completion or coming into service of the property.

511. MISCELLANEOUS NONOPERATING PHYSICAL PROPERTY.

This account shall include the net credit balance of the non-operating revenues or income from, and the expense (including depreciation, but excluding taxes) of, physical property the cost of which is carried in balance-sheet account No. 705, "Miscellaneous physical property."

NOTE A.—Net debit balances in this account shall be shown in red ink.

NOTE B.—The revenues from the operation of miscellaneous operating physical property shall be included in income account No. 502, "Revenues from miscellaneous operations," and the expenses of operation shall be included in account No. 534, "Expenses of miscellaneous operations."

512. SEPARATELY OPERATED PROPERTIES—PROFIT.

This account shall include amounts receivable under the terms of agreements or contracts whereby the surplus resulting from the operation by others of properties of other companies having a separate corporate existence is to be paid, in whole or in part, to the accounting company.

In determining the amount receivable by the accounting company, consideration shall be given not only to the operating revenues and operating

expenses, but also to other items of income or deduction which affect that amount.

NOTE A.—The amount payable by the operating company shall be charged by it to account No. 550, "Income transferred to other companies."

NOTE B.—Dividends or other returns upon securities issued by separately operated companies, and held or controlled by the accounting company, shall be included in account No. 513, "Dividend income"; No. 514, "Income from funded securities"; No. 515, "Income from unfunded securities and accounts"; or No. 516, "Income from sinking and other reserve funds," as may be appropriate.

513. DIVIDEND INCOME.

This account shall include dividends declared on railway and other stocks, the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through lease or otherwise.

Dividends declared shall not be accredited prior to actual collection unless their payment is reasonably assured by past experience, guaranty, anticipated provision, or otherwise.

Accruals of guaranteed dividends may be included in this account if their payment is reasonably assured.

NOTE A.—This account shall not include credits for dividends on stocks issued or assumed by the accounting company, and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

NOTE B.—Dividends on stocks of other companies held in sinking or other reserve funds shall be credited to account No. 516, "Income from sinking and other reserve funds."

514. INCOME FROM FUNDED SECURITIES.

This account shall include interest on bonds and other funded securities and on debenture stock of other companies, the income from which is the property of the accounting company, whether such securities are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through lease or otherwise. Interest accrued shall not be credited prior to actual collection unless its payment is reasonably assured by past experience, guaranty, anticipated provision, or otherwise.

At the option of the accounting company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities of other companies owned. Amounts thus credited or charged shall be concurrently charged or credited to the account in which the cost of the securities is carried.

NOTE A.—The term *funded securities* as here used means all unmatured bonds, notes, and other evidences of indebtedness (except open accounts for advances) none of which by the terms of the creation of the debt matures until more than one year after the date of such creation, provided that in case of an obligation maturing serially, such as car-trust notes, the entire amount shall be included in funded securities if any portion of the obligation matures later than one year after date of issue.

NOTE B.—This account shall not include interest on funded securities issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

NOTE C.—Interest on funded securities of other companies held in sinking or other reserve funds shall be included in account No. 516, "Income from sinking and other reserve funds."

NOTE D.—Interest accruing after maturity on any securities not in sinking or other reserve funds shall be included in account No. 515, "Income from unfunded securities and accounts."

515. INCOME FROM UNFUNDED SECURITIES AND ACCOUNTS.

This account shall include interest on unfunded securities, notes, and

other evidences of indebtedness payable on demand or having dates of maturity one year or less from the date of issue, interest on matured funded securities of other companies, interest on bank balances and on open accounts, and other analogous items, including discount on short-term notes. The discount on short-term notes shall be distributed, through equal monthly credits, over the term of the notes.

NOTE A.—Interest on assets held in sinking and other reserve funds shall be included in account No. 516, "Income from sinking and other reserve funds."

NOTE B.—Discount on bills for material purchased shall be credited to the accounts to which is charged the cost of the material with respect to which the discount is allowed.

516. INCOME FROM SINKING AND OTHER RESERVE FUNDS.

This account shall include the income accrued on cash, securities, and other assets (not including securities issued or assumed by the accounting company) held in sinking and other reserve funds.

At the option of the accounting company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities held in sinking or other reserve funds. Amounts thus credited or charged shall be concurrently charged or credited to the account in which the cost of the securities is carried.

NOTE.—Credits to fund reserve accounts representing income on reserve funds shall be concurrently charged to account No. 552, "Income applied to sinking and other reserve funds."

517. RELEASE ON PREMIUMS OF FUNDED DEBT.

This account shall include, during each fiscal period, such proportion of the premiums on outstanding funded debt as may be applicable to the period. This proportion shall be determined in accordance with special instructions for balance-sheet accounts, section 3.

518. CONTRIBUTIONS FROM OTHER COMPANIES.

This account shall include amounts received or receivable from other companies or individuals, representing the whole or a part of the net deficit of the accounting company when, under the terms of agreements or contracts, no obligation for subsequent reimbursement is incurred.

In determining the amount receivable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses, but also to other items of income or deduction which affect that amount.

NOTE.—The amount payable shall be charged by the contributing company to account No. 545, "Separately operated properties—Loss."

519. MISCELLANEOUS INCOME.

This account shall include all items, not provided for elsewhere, properly creditable to Income Account during the fiscal period.

II. DEBITS.

531. RAILWAY OPERATING EXPENSES.

This account shall include the total expenses caused by operations, as shown in the accounts provided in the classification of operating expenses.

532. RAILWAY TAX ACCRUALS.

This account shall include accruals for taxes of all kinds (including Federal income tax) relating to railway property (including floating equipment, if any), operations, and privileges, whether based upon the valua-

tion of the property, amount of stocks and bonds issued or outstanding, gross or net earnings, dividends declared, number of passengers carried, quantity of freight transported, length of line operated or owned, rolling stock operated or owned, or other basis.

The taxes on leased property shall be included in this account by the carrier obligated to assume such expenses under the terms of the lease.

NOTE A.—Taxes on leased property paid by one party to the lease and chargeable to the other party to the lease shall be charged directly to the party bearing the expense and not included in the Income Account of the party first making payment.

NOTE B.—Taxes on other than railway property, operations, and privileges, shall be charged to account No. 544, "Miscellaneous tax accruals," when the amount is separable from the taxes chargeable to this account.

NOTE C.—Special assessments for street and other improvements, and special benefit taxes, such as water taxes and the like, shall be included in operating expense accounts or investment accounts, as may be appropriate.

NOTE D.—Amounts received in reimbursement of taxes on property jointly used shall be credited to account No. 508, "Joint facility rent income." Amounts paid in reimbursement of such taxes shall be charged to account No. 541, "Joint facility rents."

NOTE E.—Taxes accruing on new lines under construction or on property acquired for the extension of existing lines or for addition or betterment purposes before the facilities are opened for commercial operation or the property acquired becomes available for service shall be charged to road and equipment accounts.

533. UNCOLLECTIBLE RAILWAY REVENUES.

This account shall include the amount of uncollected revenue charges against companies and individuals representing tariff charges for service rendered (including not only the accounting carrier's revenue charges, but also charges advanced to other carriers) when such amounts have been, during the period for which the Income Account is stated, determined to be uncollectible. (See special instructions for the classification of operating revenues, section 1.)

NOTE A.—This account shall not be construed to relieve the carrier from its responsibility for collecting the lawfully established charges.

NOTE B.—This account shall not include charges for service if it has not been performed in accordance with the contract and which, on that account, are not lawfully collectible from companies or individuals, such as freight charges on lost or destroyed shipments.

534. EXPENSES OF MISCELLANEOUS OPERATIONS.

This account shall include the total expenses caused by the operation of miscellaneous physical property the cost of which is includible in balance-sheet account No. 705, "Miscellaneous physical property."

NOTE.—The expenses of miscellaneous nonoperating physical property shall be included in account No. 511, "Miscellaneous nonoperating physical property."

535. TAXES ON MISCELLANEOUS OPERATING PROPERTY.

This account shall include accruals of taxes paid or payable upon miscellaneous operating property, such as that the cost of which is includible in account No. 705, "Miscellaneous physical property."

NOTE.—Taxes upon miscellaneous nonoperating physical property shall be included in account No. 544, "Miscellaneous tax accruals."

536. HIRE OF FREIGHT CARS—DEBIT BALANCE.

This account shall include, except as provided for in the classification for investment in road and equipment, the net debit balance of (1) amounts receivable accrued for the use of the accounting company's freight cars leased or interchanged, and (2) amounts payable accrued for the use of the freight cars of other carriers, leased or interchanged, and for the use of freight cars of individuals and companies not carriers. (See general instructions, section 2.)

NOTE A.—If the net balance is a credit, it shall be included in account No. 503, "Hire of freight cars—Credit balance."

NOTE B.—Rent for freight cars included in the lease of road to the accounting company shall be included in account No. 542, "Rent for leased roads."

NOTE C.—Interest accrued on equipment obligations shall be charged to account No. 546, "Interest on funded debt," or No. 547, "Interest on unfunded debt," as may be appropriate.

NOTE D.—Rents paid for freight cars used in construction work-train service are chargeable to the cost of the work. (See general instructions for the classification of investment in road and equipment, section 4c.)

NOTE E.—A fair rent for freight cars used in construction work-train service shall be credited to account "Hire of freight cars." (See general instructions for the classification of investment in road and equipment, section 4c.)

537. RENT FOR LOCOMOTIVES.

This account shall include amounts payable accrued for the use of the locomotives of others, leased or interchanged, except as provided for in the classification for investment in road and equipment. (See general instructions, section 2.)

NOTE A.—The rent for locomotives included in the lease of road to the accounting company shall be included in account No. 542, "Rent for leased roads."

NOTE B.—Interest accrued on equipment obligations shall be charged to account No. 546, "Interest on funded debt," or No. 547, "Interest on unfunded debt," as may be appropriate.

NOTE C.—Rent paid for locomotives used in construction work-train service is chargeable to the cost of the work. (See general instructions for the classification of investment in road and equipment, section 4c.)

538. RENT FOR PASSENGER-TRAIN CARS.

This account shall include amounts payable accrued for the use of the passenger-train cars of others, leased or interchanged, and also for use of sleeping cars operated under contract arrangement, except as provided for in the classification for investment in road and equipment. (See general instructions, section 2.)

NOTE A.—The rent for passenger-train cars included in the lease of road to the accounting company shall be included in account No. 542, "Rent for leased roads."

NOTE B.—Interest accrued on equipment obligations shall be charged to account No. 546, "Interest on funded debt," or No. 547, "Interest on unfunded debt," as may be appropriate.

539. RENT FOR FLOATING EQUIPMENT.

This account shall include amounts payable accrued for the use of the floating equipment of others, leased or chartered, except as provided for in the classification for investment in road and equipment. (See general instructions, section 2.)

NOTE A.—The rent of floating equipment included in the lease of road to the accounting company shall be included in account No. 542, "Rent for leased roads."

NOTE B.—Interest accrued on equipment obligations shall be charged to account No. 546, "Interest on funded debt," or No. 547, "Interest on unfunded debt," as may be appropriate.

540. RENT FOR WORK EQUIPMENT.

This account shall include amounts payable accrued for the use of the work equipment of others, leased or interchanged, except as provided for in the classification for investment in road and equipment. (See general instructions, section 2.)

NOTE A.—The rent for work equipment included in the lease of road to the accounting company shall be included in account No. 542, "Rent for leased roads."

NOTE B.—Interest accrued on equipment obligations shall be charged to account No. 546, "Interest on funded debt," or No. 547, "Interest on unfunded debt," as may be appropriate.

NOTE C.—Rent paid for work equipment when used in construction work-train service is chargeable to the cost of the work. (See general instructions for the classification of investment in road and equipment, section 4c.)

541. JOINT FACILITY RENTS.

This account shall include amounts payable accrued as rent for tracks, yards, terminals, and other facilities owned or controlled by other carriers, companies, or individuals, and in the joint use of which the accounting company participates.

Amounts paid or payable by the accounting company in reimbursement for taxes on property jointly used shall be charged to this account.

NOTE.—The cost of maintenance, operation, or administration of joint facilities, chargeable to the accounting company, shall be charged to the various joint facility accounts provided for operating expenses. When the compensation for the use of joint facilities is a fixed amount or is based upon a charge per passenger, ton, car, or other unit, it shall be fairly apportioned between this account and the appropriate joint facility operating expense accounts. This apportionment shall be made by the operating company, and shall be followed by the accounting company.

542. RENT FOR LEASED ROADS.

This account shall include amounts payable accrued as rent for roads, tracks, or bridges (including equipment and other railway property covered by the contract) of other companies, held under lease or other agreement by the terms of which exclusive use and control for operating purposes are secured. The entire amount of rent payable by the lessee in accordance with the agreement shall be included in this account, whether paid to the lessor in cash or disbursed by the lessee, on behalf of the lessor, as interest on funded debt, guaranteed dividends on stock, or otherwise. (See general instructions, section 2.)

NOTE A.—When taxes on leased property are assumed by the lessee the accruals of such taxes shall be included in the lessee's account No. 532, "Railway tax accruals."

NOTE B.—If, under the terms of a lease, the deficit or any portion of it resulting from the lessee's operation of the property leased is payable by the lessor company, the amount shall be charged to account No. 509, "Income from lease of road," by the lessor and credited to this account by the lessee.

NOTE C.—If property, the rent of which is chargeable to this account, is sublet by the accounting company to others, the rent from the sublease shall be credited to account No. 509, "Income from lease of road."

NOTE D.—Payments for the exclusive use of road and equipment maintained by the lessor and used in the accounting company's operations (when considerable in amount and when not provided for in the classifications of operating expenses) shall be divided into two portions: One, representing cost of maintenance, shall be charged to the appropriate maintenance accounts and the other, representing rent (amount applicable to the investment in the property), shall be charged to this account.

543. MISCELLANEOUS RENTS.

This account shall include rents payable accrued on property held by the accounting company under lease or other agreement and not properly chargeable to any of the foregoing accounts.

NOTE A.—This account shall not include rents provided for in the operating expense accounts.

NOTE B.—If property, the rent of which is chargeable to this account, is sublet by the accounting company to others, the rent from the sublease shall be credited to account No. 510, "Miscellaneous rent income."

NOTE C.—Payments for the exclusive use of miscellaneous property maintained by the lessor and used by the accounting company shall be divided into two portions: One, representing the cost of maintenance, shall be charged to the appropriate operating accounts, and the other, representing rent (amount applicable to the investment in the property), shall be charged to this account. The bill rendered by the creditor shall show the distribution of the payments as between maintenance and rent, and such distribution shall be adhered to by the debtor.

544. MISCELLANEOUS TAX ACCRUALS.

This account shall include all accruals for taxes not provided for elsewhere, such as taxes on securities owned, taxes on income from securities owned, and taxes on miscellaneous nonoperating physical property the cost

of which is includible in balance-sheet account No. 705, "Miscellaneous physical property."

NOTE A.—When the proper separation of any particular tax is not ascertainable the entire amount shall be included in account No. 532, "Railway tax accruals."

NOTE B.—Taxes upon miscellaneous operating property shall be charged to account No. 535, "Taxes on miscellaneous operating property."

545. SEPARATELY OPERATED PROPERTIES—LOSS.

This account shall include amounts payable under the terms of agreements or contracts whereby the deficit resulting from the operation by others of properties of other companies having a separate corporate existence is to be paid, in whole or in part, by the accounting company.

In determining the amount payable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses, but also to other items of income or deduction which affect that amount.

NOTE A.—The amount receivable by the operating company shall be credited by it to account No. 518, "Contributions from other companies."

NOTE B.—Dividends or other returns upon securities issued by separately operated companies and held or controlled by the accounting company shall not be included in this account to offset a deficit payable, but in account No. 513, "Dividend income;" No. 514, "Income from funded securities;" or No. 515, "Income from unfunded securities and accounts," as may be appropriate.

546. INTEREST ON FUNDED DEBT.

This account shall include the current accruals of interest on all classes of debt, the principal of which is includible in balance-sheet account No. 755, "Funded debt unmatured," or No. 757, "Nonnegotiable debt to affiliated companies"; also interest accruals on debenture stock and on receiver's certificates issued for a term of more than one year. This account shall be kept in such form that the interest on debenture stock, on receiver's certificates, and on other classes of funded debt may be shown separately in the annual report to the Commission.

NOTE A.—This account shall not include charges for interest on funded debt obligations issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds. (See account No. 552, "Income applied to sinking and other reserve funds.")

NOTE B.—When funded debt is incurred for new lines or extensions, or for addition and betterment purposes, the accruals of interest on such funded debt (less interest received on unexpended balances), to the date of completion or coming into service of the property so acquired shall be included in the road and equipment accounts.

547. INTEREST ON UNFUNDED DEBT.

This account shall include interest accrued on unfunded debt, such as short-term notes payable on demand or having dates of maturity one year or less from dates of issue, interest on receiver's certificates issued for a term of one year or less, interest on matured funded securities and open accounts including interest on overcharge claims, discount and expense on demand and short-term loans, interest on receipts outstanding for installments paid on capital stock, and other analogous items. The discount on short-term notes, if of a considerable amount, shall be distributed, through equal monthly charges, over the term of the notes.

NOTE.—When short-term notes or other evidences of unfunded indebtedness are issued for new lines or extensions or for addition and betterment purposes the accrual of interest to the date of completion or coming into service of the property shall be included in the road and equipment accounts.

548. AMORTIZATION OF DISCOUNT ON FUNDED DEBT.

This account shall be charged during each fiscal period with the pro-

portion of the discount and expense on funded debt obligations applicable to that period. This proportion shall be determined according to a rule the uniform application of which through the interval between the date of sale and the date of maturity will extinguish the discount and expense on funded debt. The charge to this account for any period must not be either greater or less than the proportion of the balance remaining unamortized applicable to that period so long as any portion of the discount and expense remains unextinguished. (See special instructions for balance-sheet accounts, section 3.)

NOTE.—The accounting company may, at its option, charge to profit and loss account No. 617, "Debt discount extinguished through surplus," all or any portion of the discount and expense on funded debt remaining at any time unextinguished.

549. MAINTENANCE OF INVESTMENT ORGANIZATION.

This account shall include the directly assignable organization and administration expenses of the accounting company which are incident to its investments in leased or nonoperating physical property, and in stocks, bonds, or other securities.

ITEMS OF EXPENSE

Advertising annual reports (lessor companies only).

Calls for bonds in accordance with sinking fund provisions of mortgages.

Directors' fees.

Printing and mailing dividend checks.

Publishing and mailing annual reports and other corporate statements to shareholders.

Publishing notices of declaration of dividends.

Law expenses.

Office expenses.

Salaries of officers, clerks, and attendants.

Stationery and printing.

NOTE.—Organization and administration expenses incident to railway operation are provided for in operating expense general account VII, General.

550. INCOME TRANSFERRED TO OTHER COMPANIES.

This account shall include the whole or any portion of the income of the accounting company payable to another company under the terms of agreements or contracts without obligation for reimbursement.

In determining the amount payable by the accounting company, consideration shall be given not only to operating revenues and operating expenses, but also to other items of income or deduction which affect that amount.

NOTE A.—The amount receivable by the other company shall be credited by it to account No. 512, "Separately operated properties—Profit."

NOTE B.—Dividends or other payments upon securities issued or assumed by the accounting company shall not be included in this account.

551. MISCELLANEOUS INCOME CHARGES.

This account shall include all items in the nature of fixed charges properly chargeable to Income Account for a fiscal period not provided for elsewhere, such as "normal" and "additional" income tax upon the interest on accounting company's funded debt when assumed by it.

552. INCOME APPLIED TO SINKING AND OTHER RESERVE FUNDS.

This account shall include amounts applied to sinking and other reserve funds from income, whether definite appropriations from income; allotments or payments of definite amounts from income under the terms of mortgages, deeds of trust, or other contracts that provide for such allotments or payments; or accretions representing interest or other returns accrued on the contents of such funds and required to be retained therein.

NOTE A.—The amounts charged to this account shall be concurrently credited to balance sheet accounts No. 773, 781, 782, and 783, as may be appropriate.

NOTE B.—Similar appropriations made from surplus shall be charged to profit and loss account No. 613, "Surplus applied to sinking and other reserve funds."

553. DIVIDEND APPROPRIATIONS OF INCOME.

This account shall include amounts definitely declared payable from the income of the fiscal period, as dividends on actually outstanding capital stock issued or assumed by the accounting company, other than debenture stock. (See definition of the several classes of capital stock in balance-sheet account No. 751, "Capital stock.") If a dividend is not payable in cash the consideration shall be described in the entry with sufficient particularity to identify it.

This account shall be subdivided so as to show separately the dividends on the various subclasses of capital stock.

NOTE A.—Interest accrued on debenture stock shall be charged to account No. 546, "Interest on funded debt."

NOTE B.—This account shall not include charges for dividends on capital stock issued or assumed by the accounting company and owned by it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking or other reserve funds. (See account No. 552, "Income applied in sinking and other reserve funds.")

NOTE C.—This account shall be used when the appropriations are definitely made chargeable to Income. Similar appropriations made from surplus shall be charged to profit and loss account No. 614, "Dividend appropriations of surplus."

554. INCOME APPROPRIATED FOR INVESTMENT IN PHYSICAL PROPERTY.

This account shall include amounts definitely appropriated from income to be applied for the construction or acquisition of new lines and extensions and of additions to and betterments of property the cost of which is chargeable to road and equipment accounts or applied for the construction or acquisition of property the cost of which is includible in balance-sheet account No. 705, "Miscellaneous physical property."

Records of the accounting carrier shall be so kept that the appropriations charged to this account for any fiscal period may be distinguished as relating to (a) amounts expended during preceding fiscal periods, (b) amounts expended during the current fiscal period, and (c) amounts held in reserve.

The records shall also show separately appropriations for investment in road and equipment and for investment in miscellaneous physical property.

NOTE A.—Similar appropriations made from surplus shall be charged to profit and loss account No. 615, "Surplus appropriated for investment in physical property."

NOTE B.—The amounts charged to this account shall be concurrently credited to balance-sheet account No. 779, "Additions to property through income and surplus," to No. 782, "Miscellaneous fund reserves," or to No. 783, "Appropriated surplus not specifically invested," as may be appropriate.

555. STOCK DISCOUNT EXTINGUISHED THROUGH INCOME.

This account shall include amounts definitely appropriated from income to reduce or extinguish the amount of discount on capital stock issued by the accounting company. (See balance-sheet account No. 724, "Discount on capital stock.")

NOTE.—Similar appropriations made from surplus shall be charged to profit and loss account No. 616, "Stock discount extinguished through surplus."

556. MISCELLANEOUS APPROPRIATIONS OF INCOME.

Except as provided in account No. 552, "Income applied to sinking and other reserve funds," this account shall include amounts definitely appropriated from income for the discharge of the principal (less the discount, if any, suffered at the time of sale) of any indebtedness incurred in the acquisition or improvement of property carried in the road and equipment accounts; also amounts similarly appropriated to provide a reserve for doubtful accounts, and for other purposes not provided for elsewhere.

NOTE.—Similar appropriations made from surplus shall be charged to profit and loss account No. 618, "Miscellaneous appropriations of surplus."

FORM OF INCOME STATEMENT

EXPLANATORY NOTE—The classified form of income statement is designed to show the financial changes resulting from transportation operations and other business of the accounting company during any specified period.

I. OPERATING INCOME:

501. *Railway operating revenues.	\$.....
531. *Railway operating expenses.	
*Net revenue from railway operations.	
532. *Railway tax accruals.	
533. *Uncollectible railway revenues.	
*Railway operating income.	
502. Revenues from miscellaneous operations.	
534. Expenses of miscellaneous operations.	
Net revenue from miscellaneous operations.	
535. Taxes on miscellaneous operating property.	
Miscellaneous operating income.	\$.....
 Total operating income.	 \$.....

* Includes operations of water lines, if any.

II. NONOPERATING INCOME:

503. Hire of freight cars—Credit balance.	\$.....
504. Rent from locomotives.	
505. Rent from passenger-train cars.	
506. Rent from floating equipment.	
507. Rent from work equipment.	
508. Joint facility rent income.	
509. Income from lease of road.	
510. Miscellaneous rent income.	
511. Miscellaneous nonoperating physical property.	
512. Separately operated properties—Profit.	
513. Dividend income.	
514. Income from funded securities.	
515. Income from unfunded securities and accounts.	
516. Income from sinking and other reserve funds.	
517. Release of premiums on funded debt.	
518. Contributions from other companies.	
519. Miscellaneous income.	
Total nonoperating income.	\$.....
 Gross income (or loss).	 \$.....

III. DEDUCTIONS FROM GROSS INCOME:

536. Hire of freight cars—Debit balance	\$.....
537. Rent for locomotives.	
538. Rent for passenger-train cars.	
539. Rent for floating equipment.	
540. Rent for work equipment.	
541. Joint facility rents.	
542. Rent for leased roads.	

543. Miscellaneous rents.	
544. Miscellaneous tax accruals.	
545. Separately operated properties—Loss.	
546. Interest on funded debt.	
547. Interest on unfunded debt.	
548. Amortization of discount on funded debt.	
549. Maintenance of investment organization.	
550. Income transferred to other companies.	
551. Miscellaneous income charges.	
Total deductions from gross income.	\$.....
Net income (or loss).	\$.....

IV. DISPOSITION OF NET INCOME:

552. Income applied to sinking and other reserve funds.	
553. Dividend appropriations of income.	
554. Income appropriated for investment in physical property.	
555. Stock discount extinguished through income.	
556. Miscellaneous appropriations of income.	
Total appropriations.	\$.....
Income balance transferred to credit (or debit) of Profit and Loss.	\$.....

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SPECIAL INSTRUCTIONS

1. **PROFIT AND LOSS ACCOUNTS DEFINED.**—Profit and loss accounts are those designed to show the changes in the corporate surplus or deficit during each fiscal period, as effected by the operations and business transactions during that period, by any disposition of net profits made solely at the option of the accounting company, by accounting adjustments of matters not properly attributable to the period, or by miscellaneous gains or losses not provided for elsewhere; and to show also the unappropriated surplus of the carrier at the date of the balance sheet.

2. **DELAYED ITEMS.**—When no provisions have been made through entries in the operating revenue, operating expense, or other income accounts for anticipating delayed items chargeable or creditable thereto, and the amount of any such item is relatively so large that its inclusion in the accounts for a single year would seriously distort those accounts, the carrier, when so authorized upon application to the Interstate Commerce Commission, shall distribute to Profit and Loss so much of the amount as may be authorized. The application to the Commission for exceptional accounting for delayed items shall give full

particulars concerning each item and the reasons which, in the carrier's judgment, indicate the need for a special accounting rule.

Delayed items are items representing transactions which occurred before the current fiscal year.

TEXT PERTAINING TO PROFIT AND LOSS ACCOUNTS

I. CREDITS.

601. CREDIT BALANCE (AT BEGINNING OF FISCAL PERIOD).

This account shall include the net credit balance in the Profit and Loss Account at the beginning of the fiscal period.

602. CREDIT BALANCE TRANSFERRED FROM INCOME.

This account shall show the net credit balance brought forward from the Income Account for the fiscal period.

603. PROFIT ON ROAD AND EQUIPMENT SOLD.

This account shall include the proceeds from the sale of road and equipment property in excess of the amount at which such property was carried in the property account at the time of sale.

604. DELAYED INCOME CREDITS.

This account shall include relatively large credits relating to operating revenue, expense, and other income accounts of previous fiscal periods.

This account shall be used only after permission of the Interstate Commerce Commission has been obtained. (See section 3 of the general instructions for the classification of operating revenues and operating expenses, section 2 of the special instructions for income accounts, and section 2 of the special instructions for this classification.)

NOTE.—Except as provided for above, delayed items relating to operating revenue, operating expense, and other income items shall be included in the appropriate revenue, expense, or other income accounts for the fiscal period in which the audit of the item occurs.

605. UNREFUNDABLE OVERCHARGES.

This account shall include the amount of revenue overcharges which are determined during the current fiscal period to be unrefundable. (See section 1 of special instructions for the classification of operating revenues.)

606. DONATIONS.

This account shall include amounts, creditable to surplus, of cash or its equivalent in estimated money value at the time of acquisition of lands or other property donated by individuals or companies for the construction or acquisition of property. It shall also include donations made by individuals and companies in connection with the construction of new lines for the purpose of compensating the carrier for loss anticipated during the early period of operation.

Any advances made by individuals or companies with absolute or conditional provision for partial or complete reimbursement shall not be considered a donation prior to the fulfillment of all conditions, and then only to the extent to which the liability for reimbursement is nullified or negated. Prior to such determination the amounts received shall be credited in balance-sheet account No. 778, "Other unadjusted credits."

NOTE.—Donations made by States, municipalities, and other public corporations as their contributions toward the construction or acquisition of property shall be included in balance-sheet account No. 754, "Grants in aid of construction."

607. MISCELLANEOUS CREDITS.

This account shall include amounts, not provided for elsewhere, transferred from other accounts to Profit and Loss, and amounts representing increases of resources not properly assignable to the income accounts. Among the items which shall be included in this account are—

Adjustments or cancellations of balance-sheet accounts,

Cancellation of balance-sheet accounts representing unclaimed wages and vouchered accounts written off because of carrier's inability to locate the creditor,

Profit derived from the sale of investment securities,

Profit derived from the sale of property carried in balance-sheet account No. 705, "Miscellaneous physical property,"

Credits resulting from adjustments required to bring to par securities issued or assumed by the accounting company and reacquired at a cost less than the par value,

Premiums on capital stock at the time of its reacquirement (see special instructions for balance-sheet accounts, section 2),

Unreleased premiums on funded debt reacquired before maturity (see special instructions for balance-sheet accounts, section 3),

Collections of old accounts previously written off.

NOTE—Revenue overcharges when determined to be unrefundable shall be credited to account No. 605, "Unrefundable overcharges."

II. DEBITS.**611. DEBIT BALANCE (AT BEGINNING OF FISCAL PERIOD).**

This account shall include the debit balance in the Profit and Loss Account at the beginning of the fiscal period.

612. DEBIT BALANCE TRANSFERRED FROM INCOME.

This account shall show the net debit balance brought forward from the Income Account for the fiscal period.

613. SURPLUS APPLIED TO SINKING AND OTHER RESERVE FUNDS.

This account shall include amounts definitely appropriated from surplus and applied to sinking and other reserve funds; and allotments or payments of definite amounts from surplus into sinking and other reserve funds under the terms of mortgages, deeds of trust, or other contracts that provide for such allotments or payments.

NOTE A.—The amounts charged to this account shall be concurrently credited to the appropriate balance-sheet accounts.

NOTE B.—Similar appropriations made from income shall be charged to income account No. 552, "Income applied to sinking and other reserve funds."

614. DIVIDEND APPROPRIATIONS OF SURPLUS.

This account shall include amounts definitely declared payable from surplus as dividends on actually outstanding capital stock issued or assumed by the accounting company, other than debenture stock. (See definition of the several classes of capital stock in balance-sheet account No. 751, "Capital stock.") If a dividend is not payable in cash the consideration shall be described in the entry with sufficient particularity to identify it.

This account shall be subdivided so as to show separately the dividends on the various subclasses of capital stock.

NOTE A.—Interest accrued on debenture stock shall be charged to income account No. 546, "Interest on funded debt."

NOTE B.—This account shall not include charges for dividends on capital stock issued or assumed by the accounting company and owned by it, whether pledged as

collateral or held in its treasury, in special deposits, or in sinking or other reserve funds. (See account No. 613, "Surplus applied to sinking and other reserve funds.")

NOTE C.—Similar appropriations made from income shall be charged to income account No. 553, "Dividend appropriations of income."

615. SURPLUS APPROPRIATED FOR INVESTMENT IN PHYSICAL PROPERTY.

This account shall include amounts definitely appropriated from surplus, to be applied for the construction or acquisition of new lines and extensions and of additions to and betterments of property the cost of which is includible in the road and equipment accounts or applied for the construction, acquisition, or improvement of property the cost of which is includible in balance-sheet account No. 705, "Miscellaneous physical property," and also the amount of donations in aid of construction, made by individuals and companies, not subject to distribution as dividends.

Records of the accounting carrier shall be so kept that the appropriations charged to this account for any fiscal period may be distinguished as relating to (a) amounts expended during the preceding fiscal periods, (b) amounts expended during the current fiscal period, and (c) amounts held in reserve.

NOTE A.—Similar appropriations made from income shall be charged to income account No. 554, "Income appropriated for investment in physical property."

NOTE B.—The amounts charged to this account shall be concurrently credited to balance-sheet account No. 779, "Additions to property through income and surplus," to No. 782, "Miscellaneous fund reserves," or to No. 783, "Appropriated surplus not specifically invested," as may be appropriate.

616. STOCK DISCOUNT EXTINGUISHED THROUGH SURPLUS.

This account shall include amounts definitely appropriated from surplus to reduce or extinguish the amount of discount on capital stock issued by the accounting company. (See special instructions for balance-sheet accounts, section 2.)

NOTE.—Similar appropriations made from income shall be charged to income account No. 555, "Stock discount extinguished through income."

617. DEBT DISCOUNT EXTINGUISHED THROUGH SURPLUS.

This account shall include appropriations of surplus made, at the option of the accounting company, to reduce or extinguish the discount and expense on funded debt. (See income account No. 548, "Amortization of discount on funded debt," and balance-sheet account No. 725, "Discount on funded debt.")

618. MISCELLANEOUS APPROPRIATIONS OF SURPLUS.

This account shall include amounts definitely appropriated from surplus to provide a reserve for doubtful accounts and, except as provided in account No. 613, "Surplus applied to sinking and other reserve funds," for the discharge of the principal (less the discount, if any, suffered at the time of sale) of any indebtedness incurred in the acquisition or improvement of property carried in the road and equipment accounts; also other amounts appropriated from surplus and not provided for elsewhere.

NOTE.—Similar appropriations from income shall be charged to income account No. 556, "Miscellaneous appropriations of income."

619. LOSS ON RETIRED ROAD AND EQUIPMENT.

This account shall include charges to Profit and Loss as provided for in the classification of investment in road and equipment, on account of (1) road which has been abandoned, sold, or otherwise retired; and (2) equipment which has been abandoned, sold, or otherwise retired. (See

general instructions, section 8, and general account II, Equipment, in the classification of investment in road and equipment.)

620. DELAYED INCOME DEBITS.

This account shall include relatively large debits relating to operating revenue, operating expense, and other income accounts of previous fiscal periods.

This account shall be used only after permission of the Interstate Commerce Commission has been obtained. (See section 3 of the general instructions for the classification of operating revenues and operating expenses, section 2 of the special instructions for the income accounts, and section 2 of the special instructions for this classification.)

NOTE A.—Except as provided above, delayed items relating to operating revenue, operating expense, and other income items shall be included in the appropriate revenue, expense, or other income account for the fiscal period in which the audit of the items occurs.

NOTE B.—All entries in this account shall be made in such detail as will indicate the operating revenue, operating expense, or other income accounts to which they relate.

621. MISCELLANEOUS DEBITS.

This account shall include amounts, not provided for elsewhere, chargeable to Profit and Loss from other accounts, amounts written off in consequence of adjustments, and payments not properly chargeable to the income accounts. Among the items which shall be charged to this account are—

Adjustments or cancellations of balance-sheet accounts,

Losses or deficits not properly chargeable to Income, such as uncollectible bills (other than bills covering revenue charges) for which no reserve has been provided,

Losses resulting from the sale of investment securities,

Losses resulting from the sale, destruction, or abandonment of property carried in balance-sheet account No. 705, "Miscellaneous physical property,"

Debits resulting from adjustments required to bring to par securities issued or assumed by the accounting company and reacquired at a cost exceeding the par value,

Adjustments of the difference between the ledger value and estimated value of land withdrawn from railway service and charged to account No. 705, "Miscellaneous physical property." (See general instructions in the classification of investment in road and equipment, section 10.)

Discounts on stock remaining unextinguished at the time of its reacquirement,

Unextinguished discounts on funded debt reacquired before maturity.

Payments of old accounts previously written off,

Penalties and fines for violation of the Act to Regulate Commerce, or other Federal laws, when not specifically provided for elsewhere.

NOTE.—Revenue charges when determined to be uncollectible shall be charged to income account No. 533, "Uncollectible railway revenues."

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SPECIAL INSTRUCTIONS

1. **BALANCE-SHEET ACCOUNTS.**—Balance-sheet accounts are those showing the assets, liabilities, and corporate surplus or deficit of the business.

2. **DISCOUNT AND PREMIUM ON CAPITAL STOCK.**—Ledger accounts shall be provided to cover the discounts and premiums at the sale or resale of each subclass of capital stock issued or assumed by the company. The total of the net debit balances remaining in these several accounts shall be included in account No. 724, "Discount on capital stock," and the total of the net credit balances in account No. 753, "Premium on capital stock." For explanation of subclass see account No. 751, "Capital stock."

By the term *discount* is meant the excess of the par value of stocks actually issued or assumed over the actual money value of the consideration received for such stocks. By the term *premium* is meant the excess of the actual money value of the consideration received for stock actually issued or assumed over the par value of such stock.

The term *premium* is not intended to include amounts received representing

expected dividends considered to have accrued since the last dividend period in case of stocks on which dividends are regularly paid, nor is discount, as above defined, intended to be diminished by any such amount representing expected dividends explicitly stated in the price at which the stock is issued.

Entries in these accounts representing discounts shall be carried therein until offset (1) by premiums realized on subsequent sales of the same subclass of stock, (2) by assessments levied on the stockholders, (3) by appropriations of income or surplus for that purpose, or (4) by charges to Profit and Loss upon reacquirement of the stock. Entries in these accounts representing premiums realized shall be carried therein until offset (1) by discounts suffered on sales of the same subclass of stock, or (2) by credits to Profit and Loss upon reacquirement of the stock.

In case the accounting company is permitted and elects to distribute all or any part of the net premium on its capital stock to its stockholders, the amount thus distributed shall be charged to the premium account.

For the purpose of this classification the premium realized at the sale of capital stock shall not be considered a profit and loss item, except upon the reacquirement of the stock sold.

In no case shall discount on capital stock be charged to or included in any account as a part of the cost of acquiring any property, tangible or intangible, or as a part of the cost of operation.

When stock which has been issued or assumed by the accounting company is reacquired, the difference between the price paid and the par value of the stock shall be credited to profit and loss account No. 607, "Miscellaneous credits," or charged to account No. 621, "Miscellaneous debits," as may be appropriate. Concurrently the premium or discount for the particular issue of stock reacquired shall be adjusted through Profit and Loss to the extent of the premium or discount applicable to the shares reacquired. In case the premium realized or discount suffered at the prior sale of the stock reacquired has been included in an asset account other than the premiums and discount account, such asset account shall be concurrently adjusted through Profit and Loss to the extent of the premium or discount previously included therein with respect to the shares reacquired.

3. DISCOUNT, EXPENSE, AND PREMIUM ON FUNDED DEBT.—Ledger accounts shall be provided to cover the discounts, expense, and premiums at the sale or resale of each subclass of funded debt and of receiver's certificates issued for the benefit of or assumed by the company. For explanation of *subclass* see account No. 755, "Funded debt unmatured."

By the term *discount* is meant the excess of the par value of funded debt securities (of whatever kind) issued or assumed, and the accrued interest thereon, over the actual cash value of the consideration received for such securities.

By the term *premium* is meant the excess of the actual cash value of the consideration received for funded debt securities (of whatever kind) issued or assumed over the par value of such securities and the accrued interest thereon.

By the term *expense* is meant all expense in connection with the issue and sale of evidences of debt, such as fees for drafting mortgages and trust deeds, fees and taxes for issuing or recording mortgages and trust deeds; cost of engraving and printing bonds, certificates of indebtedness, and other negotiable paper having a life of more than one year; fees paid trustees provided for in mortgages and trust deeds; fees paid for legal services to trustees relative to mortgage securities; fees and commissions paid underwriters and brokers for marketing such evidences of debt; and other like expense.

The total of the net debit balances remaining in these several accounts should be included in account No. 725, "Discount on funded debt," and the total of the net credit balances in account No. 772, "Premium on funded debt."

Each fiscal period there shall be charged to income account No. 548, "Amortization of discount on funded debt," a proportion (based upon the ratio of such fiscal period to the remaining life of the respective securities reckoned from the beginning of the period to the date of maturity of the debt to which the charges relate) of each of the debit balances in these accounts, and correspondingly there shall be credited to income account No. 517, "Release of premiums on funded debt," a similar proportion of each of the credit balances in these accounts. Carriers are allowed the option of extinguishing at any time, through charges to Profit and Loss, all or any portion of the debit balances remaining in any of these accounts and of deferring the extinguishment of credit balances until the maturity of the obligations represented.

When any funded debt which has been actually issued to bonafide holders for value is reacquired by the accounting company, that proportion of the balance remaining in the accounts containing discount, expense, and premium on funded debt for the subclass of the security reacquired applicable to the portion reacquired shall be credited or charged thereto, as may be appropriate, and concurrently charged or credited to Profit and Loss. Such proportion shall be based upon the ratio of the par value of the security reacquired to the par value of all the securities of the subclass actually outstanding, immediately before such reacquirement.

In case, however, the premium realized or discount suffered at the prior sale of the securities reacquired has been included (in excess of the amount authorized in the text of road and equipment account No. 76, "Interest during construction") in an asset account other than the premiums and discounts account, such asset account shall be concurrently adjusted through Profit and Loss to the extent of such excess of the premium or discount previously included therein with respect to the securities reacquired.

Except as provided for in road and equipment account No. 76, "Interest during construction," no discount and expense on funded debt shall be charged to or included in any account as a part of the cost of acquiring any property, tangible or intangible, or as a part of the cost of operation.

4. CONTINGENT ASSETS AND LIABILITIES.—Contingent assets and liabilities shall not be included in the body of the balance-sheet statement, but shall be shown in detail in a supplementary statement accompanying the balance-sheet statement. Contingent assets are those without value to the accounting company until the fulfilment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the company, but are neither direct nor assumed obligations on the date of the balance sheet.

5. BOOK VALUE OF SECURITIES OWNED.—The accounting company is allowed the option of carrying its investments in securities other than those issued or assumed by it either at cost or at a reasonable valuation other than cost. In recognition of this option the term *ledger value* is used in the text of the accounts representing securities owned.

6. INCOME FROM SINKING FUND ASSETS.—Accrued interest on uninvested sinking fund cash on deposit in banks or trust companies, and accrued interest and other income arising from stocks, bonds, or other assets held in sinking and reserve funds shall be credited to account No. 516, "Income from sinking and other reserve funds," and when required by the mortgage or other provision to be held in the funds shall be charged, according to the character of the funds, to account No. 703, "Sinking funds," or to account No. 721, "Insurance and other funds," and concurrently, if a reserve is required, an equal amount shall be charged to income account No. 552, "Income applied to sinking and other

reserve funds" and credited to account No. 773, "Insurance and casualty reserves," No. 781, "Sinking fund reserves," or No. 782, "Miscellaneous fund reserves," as the case may require.

7. CURRENT ASSETS.—In the group of accounts designated as current assets (accounts No. 708 to No. 719, inclusive) there shall not be included any item the ledger value of which is not reasonably assured by the known financial condition of the debtor. The amount of any item of a current character but of doubtful value shall be included in account No. 722, "Other deferred assets," or written off through Profit and Loss, as may be appropriate. If desirable to retain a record of the item in the balance sheet, it may be stated at a nominal value in account No. 722, "Other deferred assets," the difference between the full amount of the item and such nominal value being charged to Profit and Loss.

8. JOINT LIABILITIES.—The accounting company shall state as a liability in its balance sheet the total par value of securities jointly issued by it and others, and it shall include in account No. 722, "Other deferred assets," the portion of such liability which, under the joint arrangement, it is expected will be liquidated by the other party or parties to the joint arrangement.

TEXT PERTAINING TO GENERAL BALANCE SHEET ACCOUNTS

DEBITS.

701. INVESTMENT IN ROAD AND EQUIPMENT.

This account shall include the accounting company's investment in road and equipment (including that held under contract for purchase) in existence at the date of the balance sheet. The accounting company's records shall be kept in such manner as to show the amount credited to this account subsequent to June 30, 1914, for property retired, the cost of which was included in the account of that date.

NOTE A.—This account shall not include any items representing titles to securities.

NOTE B.—When any equipment is acquired under an agreement which provides that the cost shall be paid in installments, the cost (its money value at time of purchase) shall be charged to the appropriate road and equipment accounts at the time of its acquisition, and included in this account in the same manner as the cost of equipment purchased outright. When the par value of notes or other securities issued in payment, or in part payment, for such equipment is more (or less) than the actual cash value of the equipment at the time of the purchase, or of the proportion to which the securities are applicable, the difference between the par value of the securities and the actual cash value of the equipment, or of the proportion paid for by the securities, shall be charged (or credited) to the proper discount and premium accounts.

702. IMPROVEMENTS ON LEASED RAILWAY PROPERTY.

This account shall include the accounting company's investment in additions and betterments made by it to railway property held under long-term lease or through control of the corporation owning the property and in existence at the date of the balance sheet. The accounting company's records shall be kept in such manner as to show the amount credited to this account subsequent to June 30, 1914, for property retired, the cost of which was included in the account at that date. The amounts included in this account shall be classified in the accounts provided in the classification for investment in road and equipment.

NOTE.—This account shall not include any items representing titles to securities.

703. SINKING FUNDS.

This account shall include the amount of cash, the ledger value of live securities of other companies, and other assets which are held by trustees

of sinking and other funds for the purpose of redeeming outstanding obligations, including such assets so held in the hands of the accounting company's treasurer when the assets are segregated in a distinct fund; also amounts deposited with such trustees on account of mortgaged property sold the proceeds of which are to be held for the redemption of securities, and the par value of live securities issued or assumed by the accounting company and held in such funds. A separate account shall be kept for each fund. The title of each such account shall designate the obligation in support of which the fund is created.

NOTE.—In stating the balance-sheet in the annual reports to the Commission the total amount of the funds and the par value of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

704. DEPOSITS IN LIEU OF MORTGAGED PROPERTY SOLD.

This account shall include funds deposited with trustees, to be held until mortgaged property sold is replaced.

NOTE.—In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

705. MISCELLANEOUS PHYSICAL PROPERTY.

This account shall include the accounting company's investments in physical property other than transportation property assignable to accounts Nos. 701 and 702, including hotels, restaurants, commercial power plants, etc., which are entirely distinct from transportation property and are not operated in connection with the transportation service of the accounting company.

ITEMS OF INVESTMENT.

Coal and other mines.	Mineral and timber lands.
Commercial power plants.	Rails and other track material leased to others.
Hotels and restaurants.	Sawmills and other manufacturing plants not operated in connection with transportation service.
Lands and buildings not used in transportation operations.	
Lands and other property acquired and held in anticipation of future use.	

706. INVESTMENTS IN AFFILIATED COMPANIES.

This account shall include the ledger value of the accounting company's investment advances to affiliated companies, also of its investment in securities issued or assumed by such companies, such securities not being held in special deposits or in special funds.

This account shall be subdivided:

(a) Stocks.

(b) Bonds.

(c) Notes, including herein not only notes that run longer than one year and all notes of affiliated companies held as investments, but also notes payable on demand or within one year from the date of issue when it is mutually understood and intended that the notes shall not be enforced as current assets.

(d) Advances.

The accounting company's record shall be kept in such manner that the ledger value of securities pledged as collateral security for any of the accounting company's funded debt or short-term loans and the ledger value

of securities unpledged may be shown separately in the annual report to the Commission.

NOTE A.—Accounts with affiliated companies which are subject to current settlements, such as traffic and car-service balances, charges for material and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B.—The term *affiliated companies* includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement.

2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.

3. Companies controlled by controlled companies.

4. Companies controlled by controlling companies.

By *control* is meant the ability to determine the action of a corporation. For the purposes of this account, the following are to be considered forms of control:

(a) Right through title to securities issued or assumed to exercise the major part of the voting power in the controlled corporation.

(b) Right through agreement of some character or through some source other than title to securities, to name the majority of the board of directors, managers, or trustees of the controlled corporation.

(c) Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled corporation.

(d) Right to secure control in consequence of advances made for construction of the operating property of the controlled corporation.

(e) Right to control only in a specific respect the action of the controlled corporation.

A *leasehold interest in the property* of a corporation is *not* to be classed as a *form of control over the lessor corporation*.

Sole control is that which rests in one corporation.

Joint control is that which rests in two or more corporations and which is held under a joint arrangement.

NOTE C.—The value of securities *borrowed* by the accounting company and pledged shall not be included in this account.

NOTE D.—The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in account No. 703, "Sinking funds," No. 704, "Deposits in lieu of mortgaged property sold," No. 711, "Special deposits," or No. 721, "Insurance and other funds," as may be appropriate.

707. OTHER INVESTMENTS.

This account shall include the ledger value of the accounting company's investment advances to nonaffiliated companies and to individuals, and of its investment in securities issued or assumed by such companies, such securities not being held in special deposits or in special funds; also miscellaneous investments not provided for elsewhere.

This account shall be subdivided:

(a) Stocks.

(b) Bonds.

(c) Notes, including herein not only notes that run longer than one year and all notes of nonaffiliated companies and of individuals held as investments, but also notes payable on demand or within one year from date of issue when it is mutually understood and intended that the notes shall not be enforced as current assets.

(d) Advances.

(e) Miscellaneous.

The accounting company's records shall be kept in such manner that the ledger value of securities pledged as collateral security for any of the accounting company's funded debt or short-term loans and the ledger value of securities unpledged may be shown separately in the annual report to the Commission.

NOTE A.—Accounts with nonaffiliated companies which are subject to current settlements, such as traffic and car-service balances, charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B.—The term *nonaffiliated companies* includes all companies other than those defined as affiliated in Note B of account No. 706, "Investments in affiliated companies."

NOTE C.—The value of securities *borrowed* by the accounting company and pledged shall not be included in this account.

NOTE D.—The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in account No. 703, "Sinking funds," No. 704, "Deposits in lieu of mortgaged property sold," No. 711, "Special deposits," or No. 721, "Insurance and other funds," as may be appropriate.

708. CASH.

This account shall include money, checks, sight drafts, and sight bills of exchange in the hands of the accounting company's financial officers and agents, or in transit from its agents and conductors for which such agents and conductors have received credit. It shall also include deposits with banks and trust companies subject to check. (See special instructions, section 7.)

709. DEMAND LOANS AND DEPOSITS.

This account shall include the amount of demand loans fully secured by stocks, bonds, and other marketable collateral, and of deposits with banks and trust companies when such items are subject to collection on demand. (See special instructions, section 7.)

710. TIME DRAFTS AND DEPOSITS.

This account shall include amount of time drafts receivable and time deposits with banks and trust companies. (See special instructions, section 7.)

711. SPECIAL DEPOSITS.

This account shall include funds specially deposited (other than in sinking funds) for the payment of dividends, interest, and other debts; also money and securities deposited to insure the performance of contracts to be performed within one year from the date of the balance sheet; and other deposits of a special nature not provided for elsewhere. (See special instructions, section 7.)

NOTE A.—Securities pledged as collateral for the accounting company's funded debt or short-term loans shall be included in accordance with the character of the securities pledged in accounts Nos. 706, 707 or 729.

NOTE B.—In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

712. LOANS AND BILLS RECEIVABLE.

This account shall include the book value of all collectible obligations in the form of demand or time loans and bills receivable, or other similar evidences (except interest coupons) of money receivable within a time not exceeding one year from date of issue. (See special instructions, section 7.)

NOTE A.—This account does not include obligations which mature more than one year after date of issue, or demand or short-term notes held as investments includible in accounts Nos. 706 and 707.

NOTE B.—Demand loans fully secured by stocks, bonds, or other marketable collateral shall be included in account No. 709, "Demand loans and deposits."

713. TRAFFIC AND CAR-SERVICE BALANCES RECEIVABLE.

This account shall include the net amount receivable from other companies, against each of which there is a net debit balance in the total of the accounts representing interline freight, passenger, and baggage revenues, and charges

for equipment interchanged on a per diem or a mileage basis. (See special instructions, section 7.)

NOTE.—The amount to be entered in this account is not the net balance between this account and account No. 759, "Traffic and car-service balances payable."

714. NET BALANCE RECEIVABLE FROM AGENTS AND CONDUCTORS.

This account shall include the net balance due in current accounts from agents, from train, sleeping car, and dining car conductors, and from train collectors, train auditors, porters, and other employees and representatives charged with the collection or custody of current revenues. (See special instructions, section 7.)

NOTE.—Amounts advanced to general and special agents as working funds shall not be included in this account, but in account No. 720, "Working fund advances."

715. MISCELLANEOUS ACCOUNTS RECEIVABLE.

This account shall include amounts due in audited accounts considered good, such as those due from the United States or other Governments for the transportation of mails and Government property, and from express companies for express facilities furnished under contract; amounts due from other carriers on account of freight claims paid; miscellaneous bills against other railway companies, corporations, firms, and individuals, and other similar items. (See special instructions, section 7.)

NOTE.—The amount to be entered in this account is not the net balance between this account and account No. 761, "Miscellaneous accounts payable."

716. MATERIAL AND SUPPLIES.

This account shall include the balances representing the cost, less depreciation, if any, of all unapplied material, such as road and shop material, articles in process of manufacture by the accounting company, fuel, stationery, and dining car and other supplies. In determining the cost of material and supplies suitable allowance shall be made for any discounts allowed in the purchase thereof.

NOTE.—Balances representing the cost of unapplied construction material and supplies located at the point of use, which have been purchased for projected new roads and extensions, are provided for in road and equipment account No. 47, "Unapplied construction material and supplies."

717. INTEREST AND DIVIDENDS RECEIVABLE.

This account shall include the amount of interest accrued to the date of the balance sheet on bonds owned and on loans made, the amount of dividends declared on stocks owned, and dividends accrued on such stocks when contracts require that the dividends be paid at stated times. (See special instructions, section 7.)

NOTE A.—No amount representing interest or dividends receivable shall be included in this account unless its payment is reasonably assured by past experience, anticipated provision, or otherwise.

NOTE B.—No dividends or other returns on securities issued or assumed by the accounting company shall be included in this account.

718. RENTS RECEIVABLE.

This account shall include rents receivable accrued to the date of the balance sheet under leases and not includible in account No. 715, "Miscellaneous accounts receivable." It is not required that minor rents shall be accounted for upon an accrual basis. (See special instructions, section 7.)

719. OTHER CURRENT ASSETS.

This account shall include items of current assets not covered by accounts Nos. 708 to 718 inclusive.

It shall include asset items that have not yet reached the stage of audited accounts and become classable in account No. 715, and yet have been advanced beyond the stage of accounts properly classable in account No. 722. (See special instructions, section 7.)

720. WORKING FUND ADVANCES.

This account shall include amounts advanced to general and special agents, and to other officers and employees, as working funds from which certain expenditures are to be made and accounted for. It also includes advances to fast freight lines and to demurrage and other bureaus.

721. INSURANCE AND OTHER FUNDS.

This account shall include the amount of cash and the ledger value of securities of other companies and other assets which are in the hands of trustees or managers of insurance, employees' pension, savings, relief, hospital, and other funds which have been raised and specifically set aside or invested for specific purposes not provided for elsewhere; also the par value of securities issued or assumed by the accounting company and held in such funds. A separate account shall be kept for each fund.

NOTE A.—Sinking funds and special deposits for the retirement of obligations are provided for in accounts No. 703 and No. 711, respectively.

NOTE B.—In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

NOTE C.—This account shall not include funds held by the accounting company solely as trustee and in which it has no beneficial interest.

722. OTHER DEFERRED ASSETS.

This account shall include items of deferred assets not covered by accounts No. 720 and No. 721.

723. RENTS AND INSURANCE PREMIUMS PAID IN ADVANCE.

This account shall include the balances in the accounts representing pre-paid rents chargeable to the appropriate rent accounts under Income as the term is consumed for which the rents are paid; also insurance premiums paid in advance of their accrual, which premiums are to be apportioned and charged, as they accrue, to appropriate accounts.

724. DISCOUNT ON CAPITAL STOCK.

This account shall include the total of the net debit balances in the discount and premium accounts for the several subclasses of capital stock. (See special instructions, section 2.)

725. DISCOUNT ON FUNDED DEBT.

This account shall include the total of the net debit balances in the discount, expense, and premium accounts for the several subclasses of funded debt. (See special instructions, section 3.)

726. PROPERTY ABANDONED CHARGEABLE TO OPERATING EXPENSES.

This account is intended as a suspense account, in which may be included amounts chargeable to Operating Expenses for fixed improvements abandoned directly in connection with improvement or betterment work which are relatively large and the inclusion of which in the carrier's accounts for a single year would seriously distort the accounts. It is to be used only after permission of the Interstate Commerce Commission has been

asked and given. The carrier, in its application to the Commission, shall give full particulars concerning the property retired, the amount chargeable to Operating Expenses, and the period over which, in its judgment, the amount of such charge should be distributed.

For each item remaining at the close of the year in this account the accounting carrier shall indicate in its annual report to the Commission, with respect to each item of property abandoned, the period over which it is proposed to distribute the balance relating to the item, the date of the abandonment of the property, and the total amount originally to be charged to Operating Expenses.

727. OTHER UNADJUSTED DEBITS.

This account shall include the amount of debit balances in suspense accounts that can not be entirely cleared and disposed of until additional information is received, such as freight claims paid when found to be correct, but in advance of investigation with other carriers; interest paid in advance; debit balances in clearing accounts, such as "Shop expenses," "Store expenses," "Operations of gravel pits," and "Operations of quarries"; items credited to Operating Revenues or Operating Expenses on an estimated basis in accordance with general instructions for the classification of operating revenues and operating expenses, section 2; unextinguished discount on short-term notes; estimated accrued depreciation on equipment leased (see general instructions, section 2); unadjusted debit items not provided for in accounts Nos. 724, 725, and 726, and other similar items.

728. SECURITIES ISSUED OR ASSUMED—UNPLEDGED.

This account shall include the par value of securities issued by the accounting company and their par value of securities issued by other companies and assumed by the accounting company, that are held unpledged in the company's treasury or by its agents or trustees, except trustees of sinking or other similar funds.

This account shall be divided into (a) Stocks, and (b) Bonds and other evidences of funded debt, each of which divisions shall be further so subdivided that in the company's annual report to the Commission may be shown (1) amount nominally but not actually issued, and (2) amount nominally outstanding.

NOTE A.—The term *securities*, as used in this account, includes all authorized certificates of stock and evidences of indebtedness which have been signed, sealed, and, when required, certified by the registrar or by the trustees under the mortgage or contract, and are not short-term securities. By *short-term securities* are meant those which are payable on demand or which mature not more than one year from date of issue. See also Notes B to accounts Nos. 751 and 755.)

NOTE B.—This account shall not include securities that are merely guaranteed.

NOTE C.—This account shall not include any securities held in sinking and other reserve funds.

NOTE D.—In the general balance-sheet statement the balance in this account shall be stated in the short column only.

NOTE E.—When any securities have been actually issued to bona fide holders for value, or after issue by another company have been assumed by the accounting company, and after such issue or assumption are reacquired under circumstances which require that they shall not be treated as canceled or retired, they shall be included in this account at par value; the difference between the par value and the amount paid in reacquiring such securities shall be debited (or credited, as the case may be) to Profit and Loss. If such securities are subsequently pledged, they shall be included in account No. 729, "Securities issued or assumed—Pledged." (See special instructions, sections 2 and 3.)

729. SECURITIES ISSUED OR ASSUMED—PLEDGED.

This account shall include the par value of that portion of securities pledged by the accounting company as collateral security for any of its

funded debt or short-term loans, which consist of securities issued by the accounting company and securities issued by other companies, the obligation for payment of which has been assumed by the accounting company. This account shall be subdivided into (a) Stocks, and (b) Bonds and other evidences of funded debt, each of which divisions shall be further so divided that in the company's annual report to the Commission may be shown (1) the amount nominally but not actually issued, and (2) the amount nominally outstanding.

NOTE A.—The term *securities* as used in this account includes all authorized certificates of stock and evidences of indebtedness which have been signed, sealed, and, when required, certified by the registrar or by the trustees under the mortgage or contract, and are not short-term securities. By *short-term securities* are meant those which are payable on demand or which mature not more than one year from date of issue. (See also Notes B to accounts Nos. 751 and 755.)

NOTE B.—This account shall not include securities that are merely guaranteed.

NOTE C.—This account shall not include securities which have been *borrowed* by the accounting company and pledged, nor any securities held in sinking and other reserve funds.

NOTE D.—In the general balance-sheet statement the balance in this account shall be stated in the short column only.

NOTE E.—The par value of securities issued or assumed and pledged for purposes other than that of security for funded debt or short-term loans shall be shown in account No. 703, "Sinking funds;" No. 704, "Deposits in lieu of mortgaged property sold," No. 711, "Special deposits;" or No. 721, "Insurance and other funds," as may be appropriate.

NOTE F.—When any securities have been actually issued to bona fide holders for value, or after issue by another company have been assumed by the accounting company, and after such issue or assumption are reacquired under circumstances which require that they shall not be treated as canceled or retired, they shall be included in account No. 728, "Securities issued or assumed—Unpledged," at par value; the difference between the par value and the amount paid in reacquiring such securities shall be debited (or credited, as the case may be) to Profit and Loss. If such securities are subsequently pledged, they shall be included in this account. (See special instructions, sections 2 and 3.)

CREDITS.

751. CAPITAL STOCK.

This account shall include the total par value of certificates or receipts issued to represent permanent interests in the accounting company, or interests which, if terminable, are so only at the option of the company.

The amounts included in this account shall be divided so as to show the par value of (1) certificates (pledged or unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control, including both those reacquired after actual issue and those nominally but never actually issued; and (2) certificates issued and actually outstanding, being those not held by the company, its agents or trustees, or subject to its control.

The amounts included herein shall be further divided so as to show the amount of each class of stock issued, as follows:

(a) COMMON STOCK.—Stocks which have no preference in distribution of dividends.

(b) PREFERRED STOCK.—Stocks having preference in distribution of dividends.

(c) DEBENTURE STOCK.—Stocks issued under a contract to pay a specified return at specified intervals.

(d) RECEIPTS OUTSTANDING FOR INSTALLMENTS PAID.—Receipts for payments on account of subscriptions to capital stock. When certificates are issued for amounts so paid, the par value shall be included in the account covering the class of stock for which the certificates are issued.

Each of the above classes shall also be divided into subclasses according to differences in dividend or interest rights, voting rights, or conditions under which the securities may be retired.

NOTE A.—When a general levy or assessment is made against the holders of capital stock, requiring the payment of any sum for the use of the company in addition to the consideration agreed upon at the time of sale, the amount collected upon such levy or assessment shall be credited to the discount and premium account for the subclass of stock on which the assessment is made.

NOTE B.—For the purposes of the balance-sheet statement capital stock is considered to be *nominally issued* when certificates are signed and sealed and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company. It is considered to be *actually issued* when it has been sold to a bona fide purchaser for a valuable consideration, and such purchaser holds it free from all control by the accounting company. All capital stock actually issued and not reacquired and held by or for the accounting company is considered to be *actually outstanding*. If reacquired by or for the accounting company under such circumstances as require it to be considered as held alive and not canceled or retired, it is considered to be *nominally outstanding*.

NOTE C.—In the general balance-sheet statement the total capital stock included in the account shall be shown in the first short column. The amount nominally but not actually issued and the amount nominally outstanding shall be shown in the second short column, and in the long column shall be shown the amount actually outstanding.

752. STOCK LIABILITY FOR CONVERSION.

This account shall include the company's liability under agreements to exchange its capital stock for the outstanding securities of companies whose physical property has been acquired under such agreements, but whose securities have not yet been surrendered for exchange.

753. PREMIUM ON CAPITAL STOCK.

This account shall include the total of the net credit balances in the discount and premium accounts for the several subclasses of capital stock. (See special instructions, section 2.)

754. GRANTS IN AID OF CONSTRUCTION.

This account shall include the estimated money value at time of acquisition of land and other grants received from States, municipalities, and other public corporations as their contributions toward the construction or acquisition of property, the cost of which is chargeable to investment in road and equipment.

755. FUNDED DEBT UNMATURED.

There shall be included in this account the total par value of unmatured debt, maturing more than one year from date of issue, issued by the accounting company and not retired or canceled, and the total par value of similar unmatured debt of other companies, the payment of which has been assumed by the accounting company.

The amounts included in this account shall be divided so as to show the par value of (1) certificates or other evidences of funded debt (pledged and unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control, including both those reacquired after actual issue and those nominally but never actually issued; and (2) certificates or other evidences of funded debt issued and actually outstanding, being those not held by the company, its agents or trustees, or subject to its control.

The amounts included herein shall be further divided so as to show the amount of each class of funded debt, as follows:

(a) EQUIPMENT OBLIGATIONS.—Equipment bonds, equipment notes, or car-trust notes secured only by lien on specific equipment.

(b) MORTGAGE BONDS.—Bonds secured by lien on physical property and not includible in the other subdivisions of this account.

(c) COLLATERAL TRUST BONDS.—Bonds and notes secured by a lien on securities or other negotiable paper; and stock trust certificates that are similar in character to collateral trust bonds.

(d) INCOME BONDS.—Bonds which are a lien on a carrier's revenue alone, or bonds which, while being a lien on its property and franchises, can claim payment of interest only in case interest is earned.

(e) MISCELLANEOUS OBLIGATIONS.—All funded obligations not provided for by the other subdivisions of this account, also notes, unsecured certificates of indebtedness, debenture bonds, plain bonds, real estate mortgages executed or assumed and other similar obligations maturing more than one year after date of issue.

(f) RECEIPTS OUTSTANDING FOR FUNDED DEBT.—Receipts for payment on account of funded debt. When certificates are issued for amounts so paid, the par value shall be included in the account covering the class of funded debt for which the certificates are issued.

Each of the above classes shall also be divided into subclasses according to differences in mortgage or other lien or security therefor, rate of interest, interest dates, or date of maturity. Parts of any issue agreeing in other characteristics but maturing serially may be treated as of the same subclass.

NOTE A.—Securities maturing one year or less from date of issue shall be included in account No. 757, "Nonnegotiable debt to affiliated companies," or No. 758, "Loans and bills payable," except that where an issue of securities maturing serially over a period of years contains short-term obligations such obligations may be included as funded debt. Matured funded debt shall be included in account No. 764, "Funded debt matured unpaid."

NOTE B.—For the purposes of the balance-sheet statement funded debt securities are considered to be *nominally issued* when certified by trustees and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company. They are considered to be *actually issued* when they have been sold to a bona fide purchaser for a valuable consideration, and such purchaser holds them free from all control by the accounting company. All funded debt securities actually issued and not reacquired and held by or for the accounting company are considered to be *actually outstanding*. If reacquired by or for the accounting company under such circumstances as require them to be considered as held alive and not canceled or retired, they are considered to be *nominally outstanding*.

NOTE C.—Nonnegotiable notes having a maturity of more than one year after date of issue, held by affiliated companies, shall be included in account No. 757, "Nonnegotiable debt to affiliated companies."

NOTE D.—In the general balance-sheet statement the total unmatured funded debt included in the account shall be shown in the first short column. The amount nominally but not actually issued and the amount nominally outstanding shall be shown in the second short column, and in the long column shall be shown the amount actually outstanding.

756. RECEIVER'S CERTIFICATES.

When any receiver acting under the orders of a court is in possession of the property of the company and under the orders of such court issues evidences of indebtedness chargeable upon such property, the par value of such evidences shall be credited to this account.

757. NONNEGOTIABLE DEBT TO AFFILIATED COMPANIES.

This account shall include the par value of nonnegotiable notes issued to affiliated companies, credit balances in open accounts with such companies other than credit balances in current accounts classable as current liabilities, and interest accrued on notes and open accounts included in this account, when such interest is not subject to current settlements.

This account shall be divided:

(a) Notes, including herein not only nonnegotiable notes that run longer than a term of one year, but also such notes payable on demand or within one year from the date of issue when it is mutually agreed that the notes shall not be enforced as current assets by the holder.

(b) Open accounts not subject to current settlement.

(c) Interest accrued on amounts included in this account when not subject to current settlements.

NOTE A.—Accounts with affiliated companies which are subject to current settlements, such as traffic and car-service balances, charges for material and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B.—No item shall be included in this account which is not known to be the property of an affiliated company.

NOTE C.—The term *affiliated companies* includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement.

2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.

3. Companies controlled by controlled companies.

4. Companies controlled by controlling companies.

By *control* is meant the ability to determine the action of a corporation. For the purposes of this account, the following are to be considered forms of control:

(a) Right through title to securities issued or assumed to exercise the major part of the voting power in the controlled corporation.

(b) Right through agreement of some character or through some source other than title to securities, to name the majority of the board of directors, managers, or trustees of the controlled corporation.

(c) Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled corporation.

(d) Right to secure control in consequence of advances made for construction of the operating property of the controlled corporation.

(e) Right to control only in a specific respect the action of the controlled corporation.

A leasehold interest in the property of a corporation is not to be classed as a form of control over the lessor corporations.

Sole control is that which rests in one corporation.

Joint control is that which rests in two or more corporations and which is held under a joint arrangement.

758. LOANS AND BILLS PAYABLE.

This account shall include the balances representing obligations outstanding in the form of loans and bills payable or other similar evidences (except interest coupons) of indebtedness payable on demand or within a time not exceeding one year from date of issue.

This account shall be kept in such form that the amounts of notes secured by collateral, payable within one year from date of issue, may be reported separately in the corporation's annual report to the Commission.

NOTE.—This account shall not include obligations which mature more than one year after date of issue, or demand or short-term notes issued to affiliated companies and includible in account No. 757, "Nonnegotiable debt to affiliated companies."

759. TRAFFIC AND CAR-SERVICE BALANCES PAYABLE.

This account shall include the net amount payable to other companies in favor of each of which there is a net credit balance in the total of the accounts representing interline freight, passenger, and baggage revenues, and charges for equipment interchanged on a per diem or a mileage basis.

NOTE.—The amount to be entered in this account is not the balance between this account and account No. 713, "Traffic and car-service balances receivable."

760. AUDITED ACCOUNTS AND WAGES PAYABLE.

This account shall include the amount of audited vouchers or accounts and audited pay rolls unpaid on the date of the balance sheet. It shall include balances representing unclaimed wages and outstanding pay and time or discharge checks issued in payment of wages and all other unpaid vouchered items.

761. MISCELLANEOUS ACCOUNTS PAYABLE.

This account shall include outstanding drafts drawn by station agents, outstanding drafts drawn on the company in settlement of freight claims, conductors' refund and extra-fare checks not presented for redemption, deposits of affiliated companies subject to current settlement, unrefunded overcharges, and other items of the nature of demand liabilities not covered by accounts Nos. 758, 759, 760, 762, 763, and 764.

NOTE.—The amount to be reported under this account is not the net balance between this account and account No. 715, "Miscellaneous accounts receivable."

762. INTEREST MATURED UNPAID.

This account shall include the amount of matured and unpaid interest on loans and on funded debt and receivers' certificates, issued or assumed by the accounting company.

Interest which matures on the first day following that for which the balance sheet is made shall be included in this account.

NOTE.—Interest matured unpaid on nonnegotiable debt to affiliated companies, if not subject to current settlement, shall be included in account No. 757, "Nonnegotiable debt to affiliated companies."

763. DIVIDENDS MATURED UNPAID.

This account shall include the amount of dividends payable on capital stock but unpaid, uncalled for, or unclaimed at the date of the balance sheet.

Dividends which become payable on the first day following that for which the balance sheet is made shall be included in this account.

764. FUNDED DEBT MATURED UNPAID.

This account shall include the amount of funded debt matured and unpaid without any specific agreement for extension as to time of payment, including unrepresented bonds drawn for redemption through the operation of sinking and redemption fund agreements.

765. UNMATURED DIVIDENDS DECLARED.

This account shall include dividends declared on capital stock, but not payable until after the first day following the date of the balance sheet.

766. UNMATURED INTEREST ACCRUED.

This account shall include the amount of interest on loans and on funded debt and receiver's certificates issued or assumed, accrued to the date for which the balance sheet is made, but not payable until after the first day following that date.

767. UNMATURED RENTS ACCRUED.

This account shall include rents, under leases or other agreements, accrued to the date for which the balance sheet is made, but not payable until after the first day following that date. It shall also include the amount of accrued dividends on stock and accrued interest on the funded debt of other companies when such dividends and interest are payable by the accounting company as all or a portion of the rent under leases or other agreements with those companies.

768. OTHER CURRENT LIABILITIES.

This account shall include items of current liabilities not covered by accounts No. 758 to No. 767, inclusive.

769. LIABILITY FOR PROVIDENT FUNDS.

This account shall include the ledger balances representing the liability of the accounting carrier for the amount of the assets (whether contributed by the company, by the employees, or by others) in the hands of its treasurer or of trustees or managers acting for it in the administration of employees' pension, savings, relief, hospital, and other association funds.

NOTE A.—This account shall not include items representing funds in which the accounting company has no beneficial interest and which it holds purely as trustee.

NOTE B.—In stating the balance sheet in the annual reports to the Commission, the liability for provident funds which are carried in the current cash of the company shall be included under current liabilities, in account No. 761, "Miscellaneous accounts payable."

770. OTHER DEFERRED LIABILITIES.

This account shall include items of deferred liabilities not covered by account No. 769; such as retained percentages due contractors, to be paid on completion of contracts; deposits for construction of side tracks, to be refunded on the basis of an agreed percentage of the earnings from the traffic handled over the tracks; and other similar items.

771. TAX LIABILITY.

This account shall include the amount of taxes accrued and charged against income accounts No. 532, "Railway tax accruals"; No. 535, "Taxes on miscellaneous operating property"; and No. 544, "Miscellaneous tax accruals" in excess of the amount paid.

If the taxes paid are in excess of the taxes accrued, the amount of the excess shall be shown in red in this account.

772. PREMIUM ON FUNDED DEBT.

This account shall include the total of the net credit balances in the discount, expense, and premium accounts for the several subclasses of funded debt. (See special instructions, section 3.)

773. INSURANCE AND CASUALTY RESERVES.

This account shall include the net credit balance in the accounts to which are credited specific appropriations of income or surplus and such insurance premiums as are concurrently charged to Operating Expenses to cover self-carried risks on fire, fidelity, boiler, casualty, burglar, and other insurance, and to which are charged losses sustained on items protected by such insurance.

774. OPERATING RESERVES.

This account shall include the ledger balances representing reserves created by charges to Operating Expenses for maintenance of road and equipment, for personal injury, loss and damage, and other claims, and for similar purposes, such charges being made currently for the purpose of equalizing charges to operating accounts for the current accounting year. (See special instructions for operating expenses, sections 19 and 20.)

NOTE A.—Debit balances in operating reserve accounts to be cleared by future charges to operating accounts shall be shown in red in this account in the carrier's annual report to the Commission.

NOTE B.—The credit balances in reserve accounts representing appropriations of income or surplus for sinking funds, etc., shall not be included in this account.

NOTE C.—Accrued depreciation credit balances shall be included in accounts Nos. 775, 776, or 777, as may be appropriate.

775. ACCRUED DEPRECIATION—ROAD.

This account shall be credited with amounts charged to Operating Expenses or other accounts to cover the depreciation of fixed improvements, the cost of which is included in account No. 701, "Investment in road and equipment," or in account No. 702, "Improvements on leased railway property."

When any fixed property is destroyed, sold, or otherwise retired from service, the amount included in this account with respect to the property retired shall be charged hereto.

(Note carefully general instructions for the classification of investment in road and equipment, sections 7, 8, 11.)

776. ACCRUED DEPRECIATION—EQUIPMENT.

This account shall be credited with amounts charged to Operating Expenses or other accounts to cover the depreciation of the accounting company's equipment.

When any equipment is destroyed, sold, or otherwise retired from service, the amount included in this account with respect to the property retired shall be charged hereto. (See text of road and equipment general account II, Equipment.)

777. ACCRUED DEPRECIATION—MISCELLANEOUS PHYSICAL PROPERTY.

This account shall be credited with amounts charged to income or other accounts to cover the depreciation of property the cost of which is included in account No. 705, "Miscellaneous physical property."

When any miscellaneous physical property is destroyed, sold, or otherwise retired from service, the amount included in this account with respect to the property retired shall be charged hereto.

778. OTHER UNADJUSTED CREDITS.

This account shall include the amount of credit balances in suspense accounts that can not be entirely cleared and disposed of until additional information is received, such as amounts realized from the sale of damaged, unclaimed, and over freight and held pending claim; switching charges of other carriers collected and held awaiting bills from such carriers; amounts received from the sale of mileage tickets, to be disposed of as mileage is honored by the accounting or other carriers; amounts received from sales of excess baggage scrip, to be disposed of as coupons are honored; interchangeable mileage credential ticket redemption funds; revenue overcharges subject to refund; credit balances in clearing accounts such as "Shop expenses," "Store expenses," "Operating gravel pits," and "Operating quarries"; items charged to Operating Revenues or Operating Expenses on an estimated basis in accordance with general instructions for the classification of operating revenues and operating expenses, section 2; estimated accrued depreciation on leased equipment (see general instructions, section 2); and other similar items.

779. ADDITIONS TO PROPERTY THROUGH INCOME AND SURPLUS.

This account shall include such amounts of income and surplus as have been definitely appropriated or set aside, and expended since June 30, 1907, in the acquisition of property the cost of which is included in property investment accounts other than those for securities and also the amount of donations in aid of construction made by individuals and companies and not subject to distribution as dividends. Investments in road and equip-

ment, in improvements on leased railway property, and in miscellaneous physical property shall be shown separately in the accounting company's records.

This account may also include amounts definitely appropriated or set aside, and expended prior to June 30, 1907. If such amounts are included, the account shall be kept in such form as to show separately amounts expended to June 30, 1907, and amounts expended since that date.

NOTE.—Temporary appropriations of current funds for the acquisition of property, the cost of which is intended later to be met through an issue of securities, shall not be included in this account.

780. FUNDED DEBT RETIRED THROUGH INCOME AND SURPLUS.

This account shall include the total amount of appropriated income and surplus expended in the discharge of the principal (less the discount, if any, suffered at the time of sale) of any funded debt issued or assumed by the accounting company and retired through sinking or other funds provided from income or surplus. The account shall be kept in such form as to show separately amounts expended to June 30, 1907, and amounts expended since that date.

NOTE A.—Temporary appropriations of current funds for the payment of obligations which are intended to be replaced by new issues shall not be included in this account.

NOTE B.—Amounts of appropriated income and surplus expended in retirement of trust obligations issued for the purchase of equipment shall be included in account No. 779, "Additions to property through income and surplus."

781. SINKING FUND RESERVES.

This account shall include the net balances in accounts to which are credited definite appropriations of income and surplus whether held in general funds or specifically set aside in the hands of trustees for sinking and redemption funds. It shall also include income accretions to such funds retained therein. (See income account No. 552, "Income applied to sinking and other reserve funds.")

782. MISCELLANEOUS FUND RESERVES.

This account shall include the net balances in accounts to which are credited definite appropriations of income and surplus specifically set aside in the hands of trustees and not provided for elsewhere. It shall also include income accretions to such funds retained therein. (See income account No. 552, "Income applied to sinking and other reserve funds.")

783. APPROPRIATED SURPLUS NOT SPECIFICALLY INVESTED.

This account shall include the net balances in accounts to which are credited appropriations of income and surplus held in general funds for definite purposes and not provided for elsewhere, but for which no specific investment or segregation of assets has been made.

784. PROFIT AND LOSS—BALANCE.

This account shall include the balance at the close of the fiscal period as shown in the accounts provided in the classification of profit and loss accounts.

FORM OF GENERAL BALANCE SHEET STATEMENT

EXPLANATORY NOTE.—The classified form of general balance-sheet statement is designed to show the financial condition of the accounting company at any specified date.

ASSETS

INVESTMENTS:

701. Investment in road and equipment.	\$.....
702. Improvements on leased railway property.	
703. Sinking funds.	
Total book assets at date. (<i>In short column.</i>)	
Carrier's own issues at date. (<i>In short column.</i>)	
Other assets at date. (<i>In long column.</i>)	
704. Deposits in lieu of mortgaged property sold.	
Total book assets at date. (<i>In short column.</i>)	
Carrier's own issues at date. (<i>In short column.</i>)	
Other assets at date. (<i>In long column.</i>)	
705. Miscellaneous physical property.	
706. Investments in affiliated companies—	
(a) Stocks.	
(b) Bonds.	
(c) Notes.	
(d) Advances.	
707. Other investments—	
(a) Stocks.	
(b) Bonds.	
(c) Notes.	
(d) Advances.	
(e) Miscellaneous.	
Total.	\$.....

CURRENT ASSETS:

708. Cash	\$.....
709. Demand loans and deposits.	
710. Time drafts and deposits.	
711. Special deposits.	
Total book assets at date. (<i>In short column.</i>)	
Carrier's own issues at date. (<i>In short column.</i>)	
Other assets at date. (<i>In long column.</i>)	
712. Loans and bills receivable.	
713. Traffic and car-service balances receivable.	
714. Net balance receivable from agents and conductors.	
715. Miscellaneous accounts receivable.	
716. Material and supplies.	
717. Interest and dividends receivable.	
718. Rents receivable.	
719. Other current assets.	
Total.	\$.....

DEFERRED ASSETS:

720. Working fund advances.	\$.....
721. Insurance and other funds.	
Total book assets at date. (<i>In short column.</i>)	
Carrier's own issues at date. (<i>In short column.</i>)	
Other assets at date. (<i>In long column.</i>)	
722. Other deferred assets.	
Total.	\$.....

UNADJUSTED DEBITS:

723. Rents and insurance premiums paid in advance.	\$.....
724. Discount on capital stock.	
725. Discount on funded debt.	
726. Property abandoned chargeable to operating expenses.	
727. Other unadjusted debits.	
728. Securities issued or assumed—Unpledged. (<i>In short column only.</i>)	
729. Securities issued or assumed—Pledged. (<i>In short column only.</i>)	
Total.	\$.....
Total assets.	\$.....

LIABILITIES

STOCK:

751. Capital stock—	\$.....
Book liability at date. (<i>In short column.</i>)	
Held by or for carrier at date. (<i>In short column.</i>)	
Actually outstanding at date. (<i>In long column.</i>)	
752. Stock liability for conversion.	\$.....
753. Premium on capital stock.	
Total.	\$.....

GOVERNMENTAL GRANTS:

754. Grants in aid of construction.	\$.....
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LONG TERM DEBT:

755. Funded debt unmaturred—	\$.....
Book liability at date. (<i>In short column.</i>)	
Held by or for carrier at date. (<i>In short column.</i>)	
Actually outstanding at date. (<i>In long column.</i>)	
756. Receiver's certificates.	
757. Nonnegotiable debt to affiliated companies—	
(a) Notes.	
(b) Open accounts.	
Total.	\$.....

CURRENT LIABILITIES:

758. Loans and bills payable.	\$.....
759. Traffic and car-service balances payable.	
760. Audited accounts and wages payable.	
761. Miscellaneous Accounts Payable.	
762. Interest matured unpaid.	
763. Dividends matured unpaid.	
764. Funded debt matured unpaid.	
765. Unmatured dividends declared.	
766. Unmatured interest accrued.	
767. Unmatured rents accrued.	
768. Other current liabilities.	
Total.	\$.....

DEFERRED LIABILITIES:

769. Liability for provident funds.	\$.....
770. Other deferred liabilities.	
Total.	\$.....

UNADJUSTED CREDITS:

771. Tax liability.	\$.....
772. Premium on funded debt.	
773. Insurance and casualty reserves.	
774. Operating reserves.	
775. Accrued depreciation—Road.	
776. Accrued depreciation—Equipment.	
777. Accrued depreciation—Miscellaneous physical property.	
778. Other unadjusted credits.	
Total.	\$.....

CORPORATE SURPLUS:

779. Additions to property through income and surplus.	\$.....
780. Funded debt retired through income and surplus.	
781. Sinking fund reserves.	
782. Miscellaneous fund reserves.	
783. Appropriated surplus not specifically invested.	
Total appropriated surplus.	\$.....
784. Profit and loss—Balance.	\$.....
Total corporate surplus.	\$.....
Total liabilities.	\$.....

APPENDIX B

CLASSIFICATION
OF
OPERATING REVENUES AND OPERATING
EXPENSES
OF
STEAM ROADS
PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION
IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE

ISSUE OF 1914

Effective on July 1, 1914

GENERAL INSTRUCTIONS

The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts provided herein for railway operations. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to permit ready identification, and the detail records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission.

1. OPERATING ACCOUNTS.—The accounts of this classification are designed to show the revenues and expenses (including the maintenance of the facilities used) of the carrier's railway operations, including rail-line transportation, water-line transportation, if any, and services incident to transportation.

Transportation includes the receipt, conveyance, and delivery of traffic.

Rail-line transportation includes not only the conveyance of traffic over tracks, but also the necessary conveyance by water transfers (ferriage, lighterage, and floatage) either between track terminals or between track terminals and points not reached by tracks, such as the water transfers at present operated by carriers having track terminals at New York Harbor, and the water transfers at present operated by the—

Ann Arbor Railroad Company between Frankfort, Mich., and Manistee, Mich., Menominee, Mich., Kewaunee, Wis., and Manitowoc, Wis.

Atchison, Topeka & Santa Fe Railway Company between Ferry Point, Cal., and San Francisco, Cal.

Morgan's Louisiana & Texas Railroad & Steamship Company across the Mississippi River near New Orleans, La.

Nashville, Chattanooga & St. Louis Railway between Incline, Ala., and Gunters Landing, Ala.

New York, Philadelphia & Norfolk Railroad Company between Cape Charles, Va., and Norfolk, Va.

Southern Railway Company between Pinners Point, Va., and Norfolk, Va.

Southern Pacific Company between Oakland, Cal., and San Francisco, Cal.

Water-line transportation includes the transportation of local traffic from port to port, and the transportation of both local and interline rail and water-line traffic from port to port, such as the water-line transportation operations at present conducted by the

Baltimore, Chesapeake & Atlantic Railway Company on Chesapeake Bay and the Potomac River.

Central Railroad Company of New Jersey between New York, N. Y., and Atlantic Highlands, N. J.

Erie Railroad Company between Buffalo, N. Y., and Manitowoc, Wis., Milwaukee, Wis., and Chicago, Ill.

Southern Pacific Company between New York, N. Y., and New Orleans, La.; between New York, N. Y., and Galveston, Tex.; between New Orleans, La., and Habana, Cuba; and between San Francisco, Cal., and Sacramento, Cal.

Incidental revenues from meals, liquors, books, periodicals, etc., sold on vessels, have, because of established practice, been provided for in the primary accounts included in revenue general account II, Transportation—Water Line.

Carriers are at liberty to subdivide the general and primary accounts here given, but if this option be exercised a statement of the accounts adopted shall be filed in the office of the Division of Carriers' Accounts of the Interstate Commerce Commission.

The carrier means the accounting carrier, except when otherwise specifically indicated.

2. **UNAUDITED ITEMS AFFECTING OPERATING ACCOUNTS.**—When for any cause the amount of any item affecting operating revenues or operating expenses can not be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the amount of the item shall be estimated and in such form charged or credited to operating accounts and credited to balance-sheet account No. 778, "Other unadjusted credits," or charged to balance-sheet account No. 727, "Other unadjusted debits," as may be appropriate, the necessary adjustments being made later when the item is audited. The carrier is not required to anticipate minor items which would not appreciably affect the operating accounts.

3. **DELAYED ITEMS.**—When no provision has been made through entries in the accounts of these classifications for anticipating delayed items chargeable or creditable to the accounts herein, and the amount of any such items is relatively so large that its inclusion in the accounts for a single year would seriously distort those accounts, the carrier, if so authorized upon application to the Interstate Commerce Commission, shall distribute to Profit and Loss so much of the amount as may be authorized.

The carrier shall file with the Commission for approval the full particulars concerning each such item and the reasons which, in its judgment, indicate the propriety of such accounting.

When the amount of a delayed item is relatively so large that its inclusion in the accounts for a single month will seriously distort those accounts it may be distributed in equal monthly charges to the remaining months of the current fiscal year.

Delayed items are items representing transactions which occurred before the current fiscal year.

4. MISCELLANEOUS OPERATIONS.—The revenue and expenses of miscellaneous operations involving the use of such facilities as hotels and restaurants, power plants, cold-storage plants, coal-storage plants, cotton compress plants, wood-preserving plants, ice-supply plants, etc., shall not be included in the accounts of this classification when the facilities used are distinct from those used by the carrier in the service of transportation or in the maintenance of facilities used in transportation service, and the operations are not incident to such service. (See income accounts No. 502, "Revenues from miscellaneous operations," and No. 534, "Expenses of miscellaneous operations," and balance-sheet account No. 705, "Miscellaneous physical property.")

5. SUBMISSION OF QUESTIONS.—To the end that uniformity of accounting may be maintained from year to year, carriers shall submit all questions of doubtful interpretation of the accounting rules to the Commission for consideration and decision.

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SPECIAL INSTRUCTIONS

1. ACCOUNTS FOR OPERATING REVENUES.—The accounts provided for operating revenues are designed to show amounts of money which a carrier becomes entitled to receive from transportation and from operations incident thereto.

Credits to the revenue accounts shall as nearly as practicable be upon the basis of accruals of revenue.

No charge shall be made against the accounts of this classification for amounts representing tariff charges which for any cause are uncollected, the service for which the charge is made having been properly performed and individuals or companies being liable for the charges.

Uncollectible charges against individuals and companies, representing tariff charges for transportation service rendered for which such individuals and companies are liable, shall be charged to income account No. 533, "Uncollectible railway revenues." This includes items such as charges where credit has been extended and the debtor becomes insolvent, and also uncollectible undercharges discovered after the service has been rendered.

Uncollected tariff charges on unclaimed and refused shipments of freight, such refused shipments having been transported in accordance with the contract of shipment, shall be charged to a suspense account, to which shall be credited, to the extent of the tariff charges included therein, the proceeds derived from the sale of such unclaimed and refused freight. When the excess of the tariff charges over the amount realized from the sale of the freight is found to be uncollectible, it shall be cleared to income account No. 533, "Uncollectible railway revenues."

When the amount realized from the sale of such unclaimed and refused freight exceeds the amount of the tariff charges for the transportation thereof, the excess (if lawfully retained by the carrier) shall be credited to profit and loss account No. 607, "Miscellaneous credits."

The carrier's tariff charges on lost, destroyed, or damaged shipments, for which charges neither consignees nor consignors are liable, shall be charged to the revenue accounts previously credited.

Overcharges, when discovered, shall be credited to balance-sheet account No. 778, "Other unadjusted credits," and when found to be unrefundable, shall be cleared to profit and loss account No. 605, "Unrefundable overcharges."

2. INTERPRETATION OF ITEM LISTS.—Lists of items to be credited and of items to be charged have been given as a part of the text of this classification for the purpose of clearly indicating the application of the accounting rules. They are not to be considered as comprising all the items creditable or chargeable to the several accounts, but merely as representative of them.

The items contained in the lists of items to be charged to the respective accounts are chargeable only when such items have been, through oversight, included in the credits to the accounts, or they are items of revenue payable to others for service to be rendered in accordance with the tariff provisions applicable to the rates upon which the credits to the several accounts have been based.

TEXT PERTAINING TO OPERATING REVENUE ACCOUNTS

I. TRANSPORTATION—RAIL LINE.

The primary accounts included in this general account are designed to show amounts of money which the carrier becomes entitled to receive or which accrue to its benefit from service rendered in transporting property or persons by rail line. (See general instructions, section 1.)

101. FREIGHT.

This account shall include revenue from the transportation of freight and from transit, stop, and reconsigning privileges, upon the basis of lawful tariff rates.

ITEMS TO BE CREDITED.

(See special instructions, section 2.)

- (a) Revenue upon the basis of local freight tariff rates, regardless of class of train in which the freight is transported.
- (b) The carrier's proportion of revenue upon the basis of through freight tariff rates, regardless of class of train on which the freight is transported.
- (c) Revenue from transportation of mail matter, and empty mail pouches, at freight tariff rates.
- (d) Revenue from transportation of freight on special trains at rates based on weights of shipments.
- (e) Revenue on basis of classifications and freight tariffs from transportation of caretakers of freight shipments.
- (f) Revenue from reconsigning privileges.
- (g) Revenue from stop privileges.
- (h) Revenue from transit privileges.
- (i) Revenue upon the basis of arbitraries out of freight rates for water transfers, (ferriage, lighterage, and floatage.)

ITEMS TO BE CHARGED

(See special instructions, section 2.)

Amounts paid as bridge and ferry arbitraries on freight.

Amounts paid for completing a haul.

Amounts paid for elevation of freight.

Amounts paid for switching services, in connection with the transportation of freight, on the basis of switching tariffs, and allowances out of through rates, including amounts paid for switching empty cars in connection with a freight revenue movement.

Amounts paid for transferring freight between stations.

Arbitraries and allowances to others for lighterage and wharfage.

The carrier's proportion of overcharges resulting from the use of erroneous rates, weights, classifications or computations.

The carrier's proportion of refunds on account of errors in routing and billing.

The carrier's proportion of uncollected revenue on freight lost or destroyed in transit.

The carrier's proportion of uncollected tariff charges on damaged shipments for which charges neither shipper nor consignee is liable.

NOTE A.—Amounts paid for switching empty cars otherwise than in connection with loaded movements shall be charged to operating expense account No. 411, "Other expenses," except that amounts paid for switching equipment for repairs shall be included in the appropriate equipment repair accounts.

NOTE B.—Other carrier's proportion of revenue and of uncollectible undercharges paid by the carrier on account of its errors in routing and billing shall be charged to operating expense account No. 411, "Other expenses."

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

NOTE C.—Other carrier's proportion of revenue paid by the carrier on freight lost, destroyed, or damaged in transit, for which neither consignees nor consignors are liable shall be charged to operating expense account No. 418, "Loss and damage—Freight."

NOTE D.—When a lessee company transports freight over the tracks of another carrier on the basis of a proportion of revenues under a joint arrangement, it shall include the entire compensation in its revenues and statistics, charging the appropriate joint facility expense and rental accounts with the amounts paid the lessor company, and the lessor company shall credit the corresponding accounts.

NOTE E.—The accrued revenue derived from the transportation of cream, sweet milk, etc., on a basis of lawful tariffs at rates per package, regardless of weights, shall be included in account No. 109, "Milk."

NOTE F.—Revenue from the transportation of caretakers of freight shipments, when not included as a part of the freight charges on the waybill covering the freight shipments, shall be credited to account No. 102, "Passenger."

102. PASSENGER.

This account shall include the revenue from the transportation of passengers, based upon tariff fares for passengers so transported; also from the transportation at special fares of excepted classes of passengers as provided by law.

ITEMS TO BE CREDITED

(See special instructions, section 2.)

- (a) Revenue upon the basis of local tariff fares.
- (b) The carrier's proportion of revenue upon the basis of through tariff fares.
- (c) Revenue from extra fares on limited trains.
- (d) Revenue from additional fares for exclusive use of drawing rooms or state rooms.
- (e) Revenue from mileage and scrip coupons honored.
- (f) Revenue from transportation of corpses.
- (g) Revenue from transportation of passengers on special trains at fares based on rate per capita.
- (h) Revenue upon the basis of arbitraries out of passenger fares for water transfers (ferriage).

ITEMS TO BE CHARGED

(See special instructions, section 2.)

Amounts paid as bridge and ferry passenger arbitraries.

Amounts paid for switching empty passenger-train cars in connection with the transportation of passengers on the basis of tariff fares for passengers so transported.

Amounts paid for switching services in completing a transportation movement.

Amounts paid for transfer of passengers or baggage between stations or connecting lines. Redemptions of unused and partially unused local passenger tickets.

Refunds of extra fares on limited trains.

Refunds of local tariff fares.

The carrier's proportion of redemptions of unused and partially unused through passenger tickets.

The carrier's proportion of refunds of through tariff fares.

The carrier's proportion of overcharges resulting from the application in error of fares in excess of tariffs.

NOTE A.—Refundable cash fare penalty collections made by conductors, and the refundable portions of amounts derived from the sales of mileage tickets, mileage credentials, and scrip shall not be credited to this account but to an appropriate suspense account.

NOTE B.—This account shall be credited with the cash value of coupons from mileage tickets and scrip only as they are honored for transportation. Gross receipts from mileage tickets and scrip when sold shall be credited to an open account. The open account shall be charged and this account credited with the cash value of coupons as honored.

NOTE C.—When a lessee company transports passengers over the tracks of another carrier on the basis of a proportion of revenues under a joint arrangement, it shall include the entire compensation in its revenues and statistics, charging the appropriate joint facility expense and rental accounts with the amounts paid the lessor company, and the lessor company shall credit the corresponding joint facility accounts.

NOTE D.—Amounts paid for switching empty passenger-train cars otherwise than in connection with loaded movements shall be charged to operating expense account No. 411, "Other expenses," except that charges for switching equipment for repairs shall be included in the appropriate equipment repair accounts.

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103. EXCESS BAGGAGE.

This account shall include the revenue from the transportation of baggage in excess of free authorized allowances on the basis of excess baggage tariff rates.

To this account shall be credited the cash value of coupons from baggage scrip books only as the coupons therefrom are honored for transportation of excess baggage.

NOTE A.—Revenue derived from the transportation of shipments of silk, fish, etc., in passenger trains at freight tariff rates shall be included in account No. 101, "Freight."

NOTE B.—Revenue derived from the transportation of packages, articles, dogs, etc., on passenger trains on the basis of passenger tariff rates shall be included in account No. 108, "Other passenger-trains."

NOTE C.—The refundable portions of amounts derived from the sale of baggage scrip books shall not be credited to this account.

NOTE D.—The gross receipts from baggage scrips books when sold shall be credited to an open account. The open account shall be charged and this account credited with the cash value of coupons as honored.

104. SLEEPING CAR.

This account shall include the revenue from berth and seat accommodations furnished in sleeping cars on the basis of berth or seat rates for the space occupied.

105. PARLOR AND CHAIR CAR.

This account shall include the revenue from seat accommodations furnished in parlor, observation, chair, and other special passenger cars when operated in passenger-train service or in special-train service at seat rates for space occupied.

106. MAIL.

This account shall include the revenue from the transportation of mail at established rates for specified routes; from the use of railway post-office cars when in carrier's service transporting mails; from the use of special mail facilities; and from bonuses for special mail transportation.

To this account shall be charged fines and penalties imposed by the Government when not collected from agents or employees.

NOTE.—The revenue from the transportation of mail matter and empty mail pouches on freight trains at freight tariff rates shall be included in account No. 101, "Freight."

107. EXPRESS.

This account shall include the revenue from transportation of express matter and from use of facilities on trains and at stations incident to such transportation.

When a railway company transacts an express business through its regular railway organization, the revenue therefrom shall be credited to this account.

NOTE.—When contracts for express privileges provide specific amounts for the rent of facilities at stations, such amounts shall be included in revenue account No. 142, "Rents of buildings and other property."

108. OTHER PASSENGER-TRAIN.

This account shall include the revenue from transportation incident to the operation of passenger trains, not provided for otherwise.

LIST OF ITEMS.

(See special instructions, section 2.)

- (a) Revenue from transportation of packages, newspapers, articles, dogs, etc., on passenger trains at other than freight or excess baggage rates.

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- (b) Revenue received under a guaranteed lump-sum minimum for the transportation of passengers on regular or chartered trains, in excess of regular tariff fares for the passengers actually transported.
- (c) The carrier's proportion of revenue derived from the operation over its line of sleeping, parlor, chair, observation, and other special cars owned and operated by other companies.
- (d) Unclaimed penalty collections on trains.
- (e) Value of the portions of mileage tickets, mileage coupons, and scrip books unrepresented and unredeemed.

109. MILK.

This account shall include the revenue from the transportation of cream, sweet milk, skim milk, sour milk, buttermilk, condensed milk, butter fat, and smear-case or pot cheese, upon the basis of lawful tariffs at rates per package, regardless of weights.

NOTE.—The revenue from the transportation of milk upon the basis of lawful tariffs at rates per specified rates shall be included in revenue account No. 101, "Freight."

110. SWITCHING.

This account shall include the revenue from switching service upon the basis of lawful tariff rates.

To this account shall be credited the carrier's revenue upon the basis of tariff rates, or the carrier's allowance out of through rates, from the switching of cars of all kinds, loaded or empty, either locally at a station or within a switching district, between connecting lines, between local industries, or between connecting lines and local industries; revenue upon the basis of distinct tariff rates for "trap-car" and "ferry-car" service and for spotting cars; also the revenue from interwork switching at industrial plants, and the revenue from "penalty switching" incident to the improper delivery of cars by other carriers.

To this account shall be charged amounts paid others for switching when such switching service is provided for in the switching rate charged by the carrier.

NOTE.—"Penalty switching" charges paid by the carrier shall be included in expense account No. 411, "Other expenses."

111. SPECIAL SERVICE TRAIN.

This account shall include the revenue from running trains either on the basis of a rate per mile or a lump-sum rate for the train.

LIST OF ITEMS.

(See special instructions, section 2.)

- (a) The carrier's revenue from handling baggage cars in special trains for theatrical companies.
- (b) The carrier's revenue from handling circus or theatrical company trains on basis of specific amounts for transportation between designated stations.
- (c) The carrier's revenue from running trains for Federal or State Governments to transport troops, war munitions, camp outfits, etc.

NOTE A.—No account need be kept of the number of tons and ton-miles or of passengers and passenger-miles where the revenues from a train are properly creditable to this account.

NOTE B.—The revenue derived from the transportation of freight and passengers on a special train, upon the basis of a rate per pound, per hundredweight, or per ton for freight, and a rate per capita for passengers shall be credited to revenue accounts No. 101, "Freight," and No. 102, "Passenger," in accordance with the charges for each class of transportation service. Such trains shall be classified as freight, passenger, or mixed, as may be appropriate under the classification of train, locomotive, and car miles.

112. OTHER FREIGHT-TRAIN.

This account shall include the revenue from transportation incident to the operation of freight trains not otherwise provided for, such as revenue in

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excess of tariff rates for the transportation of freight in revenue trains, with a guaranteed lump-sum minimum.

113. WATER TRANSFERS—FREIGHT.

This account shall include the revenue from the transfer of freight by water transfers (ferriage, lighterage, and floatage) upon the basis of lawful tariff rates for local service.

NOTE.—No revenue shall be included in this account upon the basis of arbitraries out of rates for transportation involving rail line haul.

114. WATER TRANSFERS—PASSENGER.

This account shall include the revenue from the transfer of passengers by water transfers (ferriage) upon the basis of lawful tariff rates for local service.

NOTE.—No revenue shall be included in this account upon the basis of arbitraries out of rates for transportation involving rail line conveyance.

115. WATER TRANSFERS—VEHICLES AND LIVE STOCK.

This account shall include the revenue from the transfer by water transfers upon the basis of lawful local tariff rates, of vehicles of all classes; horses, cattle, and other animals; and Government artillery and equipment.

NOTE.—No revenue shall be included in this account upon the basis of arbitraries out of rates for transportation involving rail line haul.

116. WATER TRANSFERS—OTHER.

This account shall include the revenue from water transfers not otherwise provided for, such as the revenue from towing beyond lighterage limits and all other towing for which an extra charge is made; insurance of freight afloat when billed out at other than cost; storage of freight afloat; grain overage in boats; pumping performed for outside parties; and from other similar sources.

To this account shall be charged amounts payable to other companies or individuals for extra lighterage, extra towing, and for all other service when such payments represent revenue collected and credited to this account and not a direct expense.

II. TRANSPORTATION—WATER LINE.

The primary accounts included in this general account are designed to show amounts of money which the carrier becomes entitled to receive or which accrue to its benefit from service rendered in transporting property or persons by water lines. (See general instructions, section 1.)

121. FREIGHT.

This account shall include the revenue from the transportation of freight by water-line service upon the basis of lawful tariff rates.

ITEMS TO BE CREDITED.

(See special instructions, section 2.)

- (a) Revenue upon the basis of local freight tariff rates.
- (b) Carrier's proportion of revenue upon the basis of through tariff rates.
- (c) Revenue from the transportation of mail matter and empty mail pouches at freight tariff rates.
- (d) Revenue on the basis of classifications and freight tariffs from the transportation of caretakers of freight shipments.
- (e) Arbitraries allowed in rates for cargo insurance.

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ITEMS TO BE CHARGED.

(See special instructions, section 2.)

Amounts paid for completing a haul.

Amounts paid for elevation of freight.

Amounts paid for transferring freight between stations or connecting lines.

Arbitraries and allowances to others for lighterage and wharfage.

Carrier's proportion of overcharges resulting from the use of erroneous weights, rates, classifications, or computations.

Carrier's proportion of refunds on account of errors in routing or billing.

Carrier's proportion of uncollected revenue on freight lost or destroyed in transit.

Carrier's proportion of uncollected tariff charges on damaged shipments for which charges neither shipper nor consignee is liable.

NOTE A.—Other carrier's proportion of revenue and of uncollectible undercharges paid by the carrier on account of errors in routing and billing shall be charged to operating expense account No. 432, "Operation of terminals."

NOTE B.—Other carrier's proportion of revenue paid by the carrier on freight lost or destroyed in transit shall be charged to operating expense account No. 433, "Incidental."

NOTE C.—If the carrier maintains a transfer or lighterage service the expenses of which are included in expense account No. 432, "Operation of Terminals," the revenues arising from the service shall be included in account No. 128, "Other." If the service is performed by an outside party, its cost to the carrier shall be charged to the appropriate revenue account.

NOTE D.—Revenue from the transportation of caretakers of freight shipments, when not included as a part of the freight charges on the waybill covering the freight shipments, shall be credited to account No. 122, "Passenger."

122. PASSENGER.

This account shall include the revenue from the transportation of passengers by water-line service based on tariff fares for the passengers so transported; also transportation at special fares of excepted classes of passengers as provided by law.

The credits to this account shall appear under appropriate subheads, as follows:

- (a) Revenue from the transportation of passengers, including sleeping accommodations and meals (when not separable).
- (b) Revenue from the transportation of passengers, not including sleeping accommodations and meals.
- (c) Revenue from the rent of staterooms, berths in staterooms, and other sleeping and living accommodations.
- (d) Revenue from the sale of meals and food supplies.

ITEMS TO BE CREDITED.

(See special instructions, section 2.)

- (a) Revenue upon the basis of local tariff fares.
- (b) The carrier's proportion of revenue upon the basis of through tariff fares.
- (c) Revenue from extra fares for limited service.
- (d) Revenue from mileage and scrip coupons honored.
- (e) Revenue from the transportation of corpses.

ITEMS TO BE CHARGED.

(See special instructions, section 2.)

Amounts paid for transferring passengers or baggage between stations or connecting lines.

Redemptions of unused or partially unused local passenger tickets.

Refunds of local tariff fares.

The carrier's proportion of redemptions of unused or partially unused through passenger tickets.

The carrier's proportion of refunds of through tariff fares.

The carrier's proportion of overcharges resulting from the applications in error of fares in excess of tariffs.

NOTE.—This account shall be credited with the cash value of coupons from mileage tickets and scrip only as they are honored for transportation. Gross receipts from mileage tickets and scrip, when sold, shall be credited to an open account. The open account shall be charged and this account credited with the cash value of the coupons as honored.

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123. EXCESS BAGGAGE.

This account shall include the revenue from the transportation by water-line service of baggage in excess of free authorized allowance on the basis of excess baggage tariff rates; also the revenue from the transportation of packages, articles, dogs, etc., incidental to the transportation of passengers.

To this account shall be credited the cash value of coupons from baggage scrip books only as they are honored for transportation of excess baggage.

NOTE A.—The refundable portion of amounts derived from the sale of baggage scrip coupons shall not be credited to this account.

NOTE B.—The gross receipts from baggage scrip books, when sold, shall be credited to an open account. The open account shall be charged, and this account credited with the cash value of coupons as honored.

124. OTHER PASSENGER SERVICE.

This account shall include revenue, not otherwise provided for, incident to the transportation of passengers.

ITEMS TO BE CREDITED.

(See special instructions, section 2.)

- (a) Revenue from the sale of tobacco, cigars, cigarettes, etc.
- (b) Revenue from the sale of books, periodicals, and other news-stand supplies.
- (c) Revenue from the rent of steamer chairs and rugs.

125. MAIL.

This account shall include the revenue from the transportation of mail by water-line service at established rates for specified routes; from the use of special facilities; and from bonuses for special mail transportation.

To this account shall be charged fines and penalties imposed by the Government when not collected from agents or employees.

NOTE.—The revenue from the transportation of mail matter and empty mail pouches at freight tariff rates shall be included in account No. 121, "Freight."

126. EXPRESS.

This account shall include the revenue from transportation of express matter by water-line service, and from the use of facilities on vessels and at stations incident to such transportation.

When a carrier transacts an express business by water line through its regular organization, the earnings therefrom shall be credited to this account.

NOTE.—When contracts for express privileges provide specific amounts for the rent of facilities at stations, such amounts shall be included in revenue account No. 142, "Rents of buildings and other property."

127. SPECIAL SERVICE.

This account shall include the revenue from running vessels on excursions or special trips when specific charges not based on the number of passengers carried are made for transportation between designated points; and from running special trips carrying troops, munitions of war, camp outfits, etc., for the Federal or State Governments when specific lump amounts are charged for the transportation.

NOTE.—Lump sums received for passenger excursions or for special trips ordinarily designated as "charter of vessels," shall be treated as revenue incident to transportation, rather than as rent, and shall be included in this account.

128. OTHER.

This account shall include the revenue from transportation by water line not provided for elsewhere.

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NOTE.—Revenues upon the basis of distinct tariff rates from services rendered and facilities furnished on wharves and at stations incident to the operation of water-line service shall be included in the primary accounts under general account III, Incidental.

III. INCIDENTAL.

The primary accounts included in this general account are designed to show the amounts which the carrier becomes entitled to receive from services rendered incidentally with rail-line and water-line transportation, for the use of facilities of which the expenses for operation and maintenance are not separable from railway expenses, and from incidental sources not provided for elsewhere.

The accounts for incidental revenue shall be kept in such manner as to show separately, by primary accounts, the revenue from services rendered and facilities furnished on wharves and at stations incident to the operation of water-line service.

131. DINING AND BUFFET.

This account shall include the revenue from dining and buffet service on trains and transfer boats.

ITEMS TO BE CREDITED.

(See special instructions, section 2.)

- (a) Revenue from lunches furnished.
- (b) Revenue from meals furnished.
- (c) Revenue from liquors furnished.
- (d) Revenue from tobacco furnished.
- (e) Revenue from cigars and cigarettes furnished.

NOTE.—The revenue from dining and buffet service on vessels which are operated in water-line service is provided for in the primary accounts included in general account II, Transportation—Water Line.

132. HOTEL AND RESTAURANT.

This account shall include the revenue from hotels, restaurants, and station lunch counters. (See general instructions, section 4.)

ITEMS TO BE CREDITED.

(See special instructions, section 2.)

- | | |
|--|---|
| (a) Revenue from the rent of rooms. | (h) Revenue from tobacco furnished. |
| (b) Revenue from the use of baths. | (i) Revenue from cigars furnished. |
| (c) Revenue from the use of billiard tables. | (j) Revenue from cigarettes furnished. |
| (d) Revenue from the use of bowling alleys. | (k) Revenue from newspapers furnished. |
| (e) Revenue from lunches furnished. | (l) Revenue from periodicals furnished. |
| (f) Revenue from meals furnished. | (m) Revenue from tonsorial service. |
| (g) Revenue from liquors furnished. | (n) Revenue from laundry work. |

NOTE.—This account shall not include the revenues from hotels and restaurants which are entirely distinct from the carrier's transportation plant and the cost of which is included in balance-sheet account No. 705, "Miscellaneous physical property."

133. STATION, TRAIN, AND BOAT PRIVILEGES.

This account shall include revenue from weighing, vending, and other automatic machines located at stations; from advertising at stations and on trains and on transfer boats; from the privilege of operating news stands at stations and selling papers, periodicals, fruit, etc., on trains and on transfer boats; from telephone companies for the privilege of installing and operating commercial telephones at stations; from the operation of eating houses and dining and buffet service on trains and transfer boats

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when such operation is conducted by individuals or companies other than railway companies and when the expenses incurred by the carrier in connection therewith are not separable from its regular operating expenses; and from similar sources.

NOTE.—The revenue from privileges on vessels operated in water-line service is provided for in the primary accounts included in general account II, Transportation—Water Line.

134. PARCEL ROOM.

This account shall include the revenue from the operation of parcel rooms.

135. STORAGE—FREIGHT.

This account shall include the revenue from the storage of freight.

136. STORAGE—BAGGAGE.

This account shall include the revenue from the storage of baggage.

137. DEMURRAGE.

This account shall include the revenue from the detention of cars incident to loading, unloading, reconsigning, and stops in transit upon the basis of lawful tariffs for demurrage.

138. TELEGRAPH AND TELEPHONE.

This account shall include the revenue from commercial telegraph and telephone operations; also amounts received from telegraph and telephone companies, whether as a proportion of earnings or otherwise, for the privilege of transacting a commercial telegraph or telephone business in offices along the carrier's lines, when the carrier furnishes some service of employees whose pay is included in its operating expenses.

NOTE.—When a telegraph or telephone company rents the telegraph or telephone line of the carrier and pays all expenses incident to its maintenance and operation, the rent received shall be credited to income account No. 510, "Miscellaneous rent income."

139. GRAIN ELEVATOR.

This account shall include the revenue from the operation of grain elevators. (See general instructions, section 4.)

ITEMS TO BE CREDITED.

(See special instructions, section 2.)

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|--|--|
| (a) Revenue from the elevation of grain. | (j) Revenue from transferring grain in elevators. |
| (b) Revenue from the storage of grain. | (k) Revenue from loading grain into and unloading grain from boats not covered by elevation charges. |
| (c) Revenue from bagging grain. | (l) Revenue from trimming grain in boats when performed by elevator employees. |
| (d) Revenue from screening grain. | (m) Revenue from the sale of screenings and sweepings. |
| (e) Revenue from blowing grain. | (n) Revenue from inspecting grain in elevators. |
| (f) Revenue from cooling grain. | |
| (g) Revenue from clipping grain. | |
| (h) Revenue from cleaning grain. | |
| (i) Revenue from mixing grain. | |

140. STOCKYARD.

This account shall include the revenue from stockyards. (See general instructions, section 4.)

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ITEMS TO BE CREDITED

(See special instructions, section 2.)

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|---|--|
| (a) Revenue from feeding live stock. | (e) Revenue from shearing sheep. |
| (b) Revenue from watering live stock. | (f) Revenue from dipping sheep and cattle. |
| (c) Revenue from bedding live stock. | (g) Revenue from stabling horses. |
| (d) Revenue from otherwise caring for live stock. | (h) Revenue from inspecting live stock. |

141. POWER.

This account shall include the revenue from the sale of electric current and other power. (See general instructions, section 4.)

142. RENTS OF BUILDINGS AND OTHER PROPERTY.

This account shall include the revenue from the exclusive use of buildings and other property or portions thereof, such as depot and station grounds and buildings, general and other offices, wharves, ferry landings, elevators, stockyards, fuel yards, enginehouses, repair shops, and section and other houses, when the property is operated and maintained in connection with the property used in the carrier's transportation operations and the expenses of maintaining and operating the rented portion can not be separated from the expenses of that portion used by the carrier. (See general instructions, section 4.)

NOTE—When the expenses of maintaining and those of operating property rented to others are separable, the rents received shall be credited and the expenses of maintenance and operation shall be charged to appropriate income accounts.

143. MISCELLANEOUS.

This account shall include the revenue from railway operations not provided for elsewhere. (See general instructions, section 4.)

LIST OF ITEMS.

(See special instructions, section 2.)

- (a) Amounts received for privilege of cutting hay along the right of way.
- (b) Commissions received for collecting premiums on insurance policies from employees and installment payments for books, watches, etc., sold by dealers to employees.
- (c) Profit from jobbing and installing electric power lines for others.
- (d) Revenue from boat demurrage.
- (e) Revenue from freight and passenger privileges over a carrier's wharves and docks.
- (f) Revenue from garnishee fees.
- (g) Revenue from operation of coal and ore wharves, cold-storage plants, cotton-compress plants, and wood-preserving plants. (See general instructions, section 4.)
- (h) Revenue from privilege of mooring and anchoring boats at wharves and docks.
- (i) Revenue from sale of cinders produced by carrier.
- (j) Revenue from use of carrier's bridges by pedestrians, street car lines, vehicles, etc.
- (k) Revenue from temporary use of carrier's tracks for detouring trains, etc.
- (l) Revenue from use of tracks incident to delays in loading or removing freight.
- (m) Revenue from water furnished boats from water stations operated by the carrier.
- (n) Revenue from weighing cars.
- (o) The carrier's proportion of gross revenue from operation of clergy bureaus.
- (p) The carrier's proportion of gross revenue from operation of ticket validation agencies.
- (q) Unclaimed deposits for prepaid transportation.

NOTE—When a bridge of one carrier is jointly used by itself and another carrier and such use is paid for on the basis of flat rent or charge per train-mile or toll per passenger, per ton, or per car, the compensation therefor shall be credited to the appropriate joint facility, operating expense, and income accounts.

IV. JOINT FACILITY.

151. JOINT FACILITY—CR.

This account shall include the carrier's proportion of revenue collected by

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others in connection with the operation of joint tracks, yards, terminals, and other facilities.

NOTE A.—The purpose of this account is to show the amounts of revenue from the operation of joint tracks, yards, terminals, and other facilities operated by other companies, which under existing contracts or agreements are credited by the operating company to the tenant companies which participate therein. The bill rendered by any creditor company against a debtor company for the latter's proportion of the expense of maintenance and operation of joint facilities, which includes also a credit covering a proportion of the revenue to be paid over, shall show the distribution of the credit for such proportion of the revenue separately, from the distribution of the expense of operation.

NOTE B.—No credits shall be made to this account representing amounts creditable by the operating company to primary accounts Nos. 101 to 109, 111 to 116, 121 to 128, 131, 132, 139 to 141.

152. JOINT FACILITY—Dr.

This account shall include that proportion of revenue from the operation of joint tracks, yards, terminals, and other facilities, which is creditable to other companies.

NOTE A.—The purpose of this account is to show the amount of revenue from operation of a terminal company or other carrier which, under the terms of existing contracts or agreements covering the joint use of tracks, yards, and other facilities, is credited to other carriers that participate in the benefits from such joint use. The bill rendered by a creditor company against a debtor company for the latter's proportion of expense of maintaining and operating joint facilities, which includes a credit covering the debtor company's proportion of the revenues from operation of such joint facilities, shall indicate separately the proper distribution of both the revenues and the expenses included in the bill, and such distribution shall be adhered to by the debtor.

NOTE B.—No debits shall be made to this account representing amounts creditable by the operating company to primary accounts Nos. 101 to 109, 111 to 116, 121 to 128, 131, 132, 139 to 141.

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SPECIAL INSTRUCTIONS

1. ACCOUNTS FOR OPERATING EXPENSES.—The accounts prescribed for operating expenses are designed to show expenses of furnishing transportation service, including the expenses of maintaining the plant used in the service. The accounting shall be as nearly as practicable upon the basis of accruals; however, the option is allowed the carrier of omitting charges to the accounts provided for the depreciation of fixed improvements and of including the depreciation (ledger value less salvage) of such property in the appropriate repair accounts at the time the property is converted or retired for replacement.

Fixed improvements means structures which are fixed as to location, such as tunnels, bridges, buildings, earthworks, etc.

2. MAINTENANCE EXPENSES.—The accounts provided for maintenance of fixed improvements and of equipment are designed to show the cost of repairs and also the loss through depreciation of the property used in operations, including

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

all such expenses resulting from ordinary wear and tear of service, exposure to the elements, inadequacy, obsolescence, or other depreciation, or from accident, fire, flood, or other casualty.

The cost of repairs which has been provided for in the several repair accounts shall include the cost of inspecting to determine the repairs necessary, and of adjusting, repairing, or replacing parts, both of fixed improvements and of equipment, such as the repairing of locomotives, cars, frogs and switches, or the replacing of ties, rails, etc., in tracks; the cost of inspecting and testing after repairs have been made, such as the testing of locomotives after repairs to determine that the repairs have been properly made, and the running of repaired locomotives light in order to break them in for regular service; incidental costs of repairs, such as the construction or removal of false work; cost of relocation of fixed improvements; cost of demolishing retired fixed improvements (except those retired and not replaced) and disposing of the wreckage therefrom when the property is demolished by or for the account of the carrier; cost of protecting service during the progress of addition and betterment work; cost of laying out, cleaning, grading, draining, fencing, mowing, and beautifying grounds pertaining to buildings; repairing sidewalks, driveways, and streets within or adjacent to such grounds; cost of removing snow from the roofs of buildings (when not removed by those employed in the buildings); cost of the periodical restoration of seasonal features, such as gardens, shrubbery, and lawns; cost of operating hothouses in connection with the work of beautifying grounds; cost of restoring sidewalks, driveways, lawns, etc., in grounds after addition and betterment work (see general instructions for the classification of investment in road and equipment, section 12); and cost of clearing and removing casual incumbrances, such as ice, snow and fallen timber.

The difference between the depreciation upon fixed improvements retired and replaced and the amount provided for through the depreciation accounts, shall be included in the repair accounts when the property is retired. Similar adjustments on account of equipment retired shall be included in the accounts for equipment retirements. (See classification of investment in road and equipment, general account II, Equipment.)

Distinct maintenance accounts have been provided for expenses of a general character, such as superintendence, stationery and printing, and injuries to persons, which, on account of established practice, it is deemed advisable to segregate.

3. COST OF REPAIRS.—It is intended that the repair accounts of this classification shall include the cost of labor, materials and supplies, work-train service, floating equipment work service, special machine service, contract work, privileges, protection from casualties, and other analogous items of expense in connection with the maintenance of the plant used in railway service. The several items of cost here referred to are defined as follows:

(a) *Cost of labor* includes amounts paid for the labor of the carrier's own employees. Except where otherwise specified in the text of the accounts, the cost of boarding, traveling, and other incidental expenses of employees shall be included in the accounts to which the pay of the employees is chargeable.

(b) *Cost of materials and supplies* includes the cost of materials and supplies, including small tools, at the point of free delivery, plus freight charges of foreign lines, and the costs of inspection and loading assumed by the carrier; also a proportion of store expenses (see section 16). It should not, however, include expenses of transportation over the carrier's line. In calculating the cost of materials used proper allowance shall be made for the value of un-

used portions and of cuttings, turnings, borings, etc., and for the value of the material recovered from property repaired and from temporary tracks, scaffolding, cofferdams, and other temporary structures used in repair work.

(c) *Cost of work-train service* includes cost of labor of enginemen, trainmen, and enginehouse men, including the wages of engine crews and train crews held in readiness for such service; and the cost of fuel and other supplies consumed in connection with the operation of work trains.

(d) *Cost of floating equipment work service* includes cost of labor of crews, including wages of crews held in readiness for service; and the cost of fuel and other supplies consumed in connection with the operation of floating equipment work service.

(e) *Cost of special machine service* includes the cost of labor expended and of materials and supplies consumed in operating steam shovels, scrapers, rail unloaders, ballast unloaders, pile drivers, dredges, ditchers, weed burners, and other labor-saving machines; also rents paid for use of such machines.

(f) *Cost of contract work* includes amounts paid for work performed under contract by other companies, firms, or individuals and specific expenses incident to the award of the contract.

(g) *Cost of privileges* includes amounts paid for special privileges, such as the temporary use of public property or streets, in connection with the repairs of the property of the carrier. (Periodical payments for such privileges in connection with permanent use of public property for railway operations shall be included in the income accounts.)

(h) *Cost of protection from casualties* includes expenditures for protection against damage by fire, flood, etc., such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, expense for witnesses in relation thereto, amounts paid to municipal corporations and others for fire protection, and other analogous items of expense in connection with repair work, but does not include insurance premiums paid to assure reimbursement for prospective losses.

4. ROYALTIES ON APPLIANCES.—The royalties for patent rights on mechanical appliances used in repairs of equipment shall be included in the cost of the repairs.

5. FIXED IMPROVEMENTS RETIRED AND REPLACED.—The ledger value (less salvage and the credit balance in the accrued depreciation account with respect to the property retired) of fixed improvements retired and replaced with property of like purpose, together with the cost of removing the property retired, shall be included in the accounts appropriate for the repairs of the property before retirement. (See section 7 of general instructions for the classification of investment in road and equipment.)

6. DISTRIBUTION OF CHARGES FOR PROPERTY RETIRED AND REPLACED.—In case the amount chargeable as operating expenses for property retired and replaced, as provided for in section 7 of the general instructions for the classification of investment in road and equipment, is relatively large and its inclusion would seriously distort the expense accounts for a single year, the carrier, if so authorized by the Commission, may charge the amount thereof to balance-sheet account No. 726, "Property abandoned chargeable to operating expenses," and distribute it thereafter, in accordance with the provisions of that account to the operating expenses of succeeding years.

If so authorized by the Commission, the carrier may charge to Profit and Loss any extraordinarily large item representing the cost of property retired and replaced, instead of charging such item to Operating Expenses. The car-

rier shall file with the Commission a statement of the cost and a description of the property retired and the reasons which, in its judgment, indicate the propriety of charging the cost of such property to Profit and Loss.

7. CHARGES TO OPERATING EXPENSES FOR FIXED IMPROVEMENTS CONVERTED.—In connection with the conversion of fixed improvements, the ledger value of property before conversion, plus the cost of conversion, less the sum of the estimated value of the property as converted, the amount included in the accrued depreciation account with respect to the property thus converted, and the salvage recovered, shall be charged to the accounts of this classification appropriate for repairs of the property before conversion. (See general instructions for the classification of investment in road and equipment, section 11.)

8. DEPRECIATION OF FIXED IMPROVEMENTS.—Depreciation accounts, in which to include uniform monthly charges to cover the depreciation of fixed improvements, have been provided for the purpose of creating reserves which will meet or reduce the amounts otherwise chargeable, as may be appropriate, to operating expense or to profit and loss accounts to cover property retired. Such depreciation charges shall be based in each instance upon the percentage of the original cost (estimated if not known), ledger value, or purchase price of the property determined to be equitable by the carrier's experience and best sources of information as to the actual current loss from depreciation. A statement of the bases used by the carrier for computing these charges shall be included in its annual report to the Commission. Until further directed the use of depreciation accounts for fixed improvements is optional with the carrier. (See balance-sheet account No. 775, "Accrued depreciation.—Road.")

9. JOINT FACILITY ACCOUNTS.—Accounts thus designated have been provided for the joint users of tracks, bridges, yards, wharves, stations, and other facilities to indicate the proper accounting for settlements which cover income and operating expenses in connection with the use of such facilities, and for settlements covering cost of yard service. When the compensation for the use of facilities is a fixed amount or is based upon a charge per passenger, ton, car, or other unit, it shall be fairly apportioned by the operating company among the joint facility operating expense and income accounts. The creditor shall show the distribution of these charges upon its bills, and such distribution shall be adhered to by the debtor.

Train service in connection with the line haul of traffic is not considered a joint facility operation, and the settlements between carriers covering items chargeable to accounts Nos. 392 to 403 shall not be included in the joint facility accounts.

10. CLEARING ACCOUNTS.—In recognition of the fact that certain expenditures incident to the construction and the operation of property are not chargeable directly to any particular property investment or expense account, clearing accounts have been provided for the purpose of securing an equitable distribution of such items to the proper primary accounts. (See sections 11 to 17, inclusive.)

11. GRAVEL AND SAND PITS AND QUARRIES.—When a gravel or sand pit or quarry is opened for operations likely to extend over a long period, an account shall be set up designated "Operations of gravel pit at—," or "Operations of quarry at—," as the case may be. To this account shall be charged—

(a) That part of the cost of the land in excess of its estimated value after the gravel, sand, or stone has been removed, the amount thus charged being concurrently credited to the property account in which the cost of the land is included.

(b) Amounts paid for the right to enter upon and remove ballast from land not owned by the carrier.

(c) The cost of sinking test holes.

(d) The expenses for clearing, stripping, draining, and ditching the land, and of moving and changing fences and buildings preparatory to opening the pit or quarry.

(e) The cost, in excess of the estimated salvage value, of rails and fastenings used in constructing tracks to and in the gravel pit or quarry, the estimated salvage being carried in an appropriate suspense account.

(f) The cost, in excess of the estimated salvage value, of ties and other material, and of labor expended on such tracks.

(g) The cost of labor and train service employed in producing, quarrying, and loading ballast, including the cost of operation, repairs, and depreciation of stationary engines, steam shovels, stone crushers, and other similar machinery, and the pay and expenses of watchmen.

(h) The cost of explosives and hand tools, and miscellaneous expenses.

(i) The cost of installing, operating, and maintaining signals and interlockers at gravel pits.

Credit to these accounts shall be made each month to cover the cost of ballast material produced during the month. The cost of production shall include the expenses directly assignable to the monthly output, plus a proportion of the expenses not directly assignable, such as cost of land, tracks, machinery, and interlockers. This latter amount shall be computed upon the basis of the ratio which the monthly output bears to the total estimated yardage to be taken from the pit.

When any portion of the product of such pits or quarries is sold, the cost thereof shall be credited to this clearing account, and the profit thereon, if any, shall be credited to revenue account No. 143, "Miscellaneous."

12. POWER PLANT OPERATIONS.—The accounting for the expenses of maintaining and operating an electric, steam, or other power plant (both building and machinery) shall be determined by the purpose for which the power produced is used.

When the power plant is intended and used for producing power solely for the carrier's own operations and the cost of operating the plant is chargeable to clearing account "Shop expenses," or to any one specific account for operating expenses the expenses of maintenance shall be charged to the appropriate maintenance accounts, and the cost of operation to the account appropriate according to the use of the power.

When the power from such a plant is properly chargeable to more than one account, the expenses of maintaining and operating the plant shall be included in clearing account "Power plant operations." The expense of maintenance shall be cleared from that account to the appropriate maintenance accounts for operating expenses. The expenses of operation shall be apportioned to the appropriate accounts upon the basis of quantity of power used for the various purposes.

When a part of the power produced by a power plant is sold and the remainder is used in the carrier's own operations, the cost of maintaining and operating the plant shall be charged to a clearing account. The expense of maintenance shall be cleared from that account to the appropriate maintenance account in operating expenses. The proportion of the expenses of operation assignable to the power sold, on the basis of ratio of quantity of power sold to total quantity of power produced, shall be credited to this clearing account and charged to account No. 445, "Producing power sold." The remainder of

the cost of operation shall be distributed to the appropriate expense accounts for the carrier's own operations, in the manner indicated in the preceding paragraphs.

When power plants are intended and used solely for furnishing power to others, the investment therein shall be included in balance sheet account No. 705, "Miscellaneous physical property," and the operation shall not be included in the accounts of this classification. (See general instructions, section 4, and income account No. 534, "Expenses of miscellaneous operations.")

13. POWER SUBSTATION OPERATIONS.—The plan outlined for the expenses of operating power plants shall be followed in accounting for the operations of substations.

14. MAINTAINING TRANSMISSION AND DISTRIBUTION SYSTEMS.—The accounting for the maintenance of transmission systems and distribution systems shall be in accordance with instructions pertaining to power plant operations.

15. SHOP EXPENSES.—A clearing account entitled "Shop expenses" shall be kept, to which shall be charged items of expense at shops, enginehouses, repair tracks, and other places at which mechanical work is done, not assignable directly to specific accounts. Such expenses shall be apportioned among the various accounts affected. The basis of distribution shall be the relative proportion which the total amount of charges to "Shop expenses" bears to the total of the directly distributed labor. To avoid monthly fluctuations in the ratio of shop expenses to the total of distributed labor, carriers are permitted to make the monthly apportionment on the basis of a percentage of the distributed labor, provided the shop expense account be adjusted and closed out at the end of each year. The expenses assignable to this account are as follows:

(a) *General shop employees.*—The pay of general foremen in small shops, who exercise direct supervision over all departments unassisted by department foremen; the pay of department foremen, assistant department foremen, other supervising or directing employees, and their clerks; pay of chauffeurs and oilers; pay of sweepers, cleaners, roustabouts, and other unskilled laborers employed in general work in and about shops and shop grounds; pay of watchmen, gatekeepers, and policemen at shops, repair tracks, and other places at which mechanical work is done; pay of employees while attending fires or fire drills; and pay of employees while making, repairing, or having charge of small shop tools.

(b) *Power.*—The cost of fuel used in steam and other power plants in producing power for shops and for other places at which mechanical work is done; cost of oil, grease, waste, and other material used in the operation of such power plants; pay of stationary engineers, firemen, electricians, coal handlers, and other employees engaged in production of power; cost of carbon brushes, fuses, lamps, picks, pokers, scuttles, shovels, and other small tools and supplies; and cost of water and power purchased. (See section 12.)

(c) *Heating.*—The cost of fuel and other supplies used for heating shops and other places at which mechanical work is done, shop offices, watchmen's and gatekeepers' boxes, and inspectors' shanties; and the pay of firemen, coal handlers, and other employees engaged in operating heating boilers. (See section 12.)

(d) *Lighting.*—The cost of electric current, gas, oil, torches, lamp burners, lamp chimneys, lamps not permanently attached to buildings, incandescent lamps and carbons, and other material used in lighting shops and shop offices, repair tracks, and other places at which mechanical work is done, and cost of material used and labor expended in operating electric-light plants and repairing electric light and other lamps at shop. (See section 12.)

(e) *Switching locomotives*.—All expenses, including wages, fuel, and supplies, of operating switching locomotives when exclusively assigned to switching service at shops. (The expenses of incidental switching at shops by locomotives in transportation switching service shall be charged to appropriate transportation accounts.)

(f) *Shop supplies*.—Fuel for forge and other shop work; supplies and small tools used by mechanics on miscellaneous work and not durable; test-room and laboratory supplies used in connection with shop work; lubricating material for shop machinery and tools; water used at shops and shop offices, repair tracks, and other places at which mechanical work is done; and other supplies used generally in shop work.

LIST OF SUPPLIES AND SMALL TOOLS.

Acid.	Dustpans.	Potash.
Adzes.	Emery.	Prisms.
Ammonia.	Emery boxes.	Rakes.
Auger Bits.	Emery cloth.	Rasps.
Augers.	Emery paper.	Ratchet braces.
Axes.	Faucets.	Red lead.
Basins.	File cards.	Resin.
Bath brick.	Files.	Rope.
Battery brushes.	Fire hooks for stationary	Rules.
Beeswax.	boilers.	Sal ammoniac.
Bell cord.	Fire shovels for stationary	Sand soap.
Bluestone.	boilers.	Sandpaper.
Bone, granulated.	Flags.	Saw blades.
Borax.	Flannel, canton.	Saws, hand.
Bottles.	Forks.	Scoops.
Braces and bits.	Forks, coke.	Screw drivers.
Brooms.	Funnels.	Screws.
Brushes, dust.	Gimlets.	Shellac.
Brushes, file.	Glue.	Shovels.
Brushes, oil.	Gluepots.	Slate pencils.
Brushes, paint.	Glycerin.	Slates.
Brushes, scrub.	Graphite.	Sledges.
Brushes, sweeping.	Grindstones.	Soap.
Brushes, varnish.	Ground glass.	Soda.
Brushes, wall.	Hack-saw blades.	Solder.
Brushes, whitewash.	Hammers.	Soldering fluid.
Brushes, window.	Hammers, babbitt.	Spelter solder.
Buckets.	Hand leathers.	Spigots for oil barrels.
Carpenter tools furnished ap-	Handles for tools.	Spirit-level vials.
prentices.	Hatchets.	Spirit levels.
Casehardening compound.	Hoes.	Sponges.
Cement, belt.	Keel.	Sprinkling cans.
Chalk.	Lampblack.	Squares.
Chalk lines.	Lead.	Squirts (lubricating).
Chamois skins.	Lye.	Stencil brushes.
Charcoal.	Mallets.	Tacks.
Chisels.	Marking brushes.	Tape lines.
Clamps, hand.	Marking pots.	Tapes, metallic.
Coal picks.	Measures, Liquid.	Tool steel for small hand tools.
Compound for B. S. hammers.	Mineral paste.	Tripoli.
Compound for grinding.	Mop handles.	Trucks.
Compound for hydraulic jacks.	Mops.	Twine.
Compound for welding.	Muslin.	Washbasins.
Corks.	Nippers.	Wheelbarrows.
Cosmic to prevent rust.	Oil cans.	Whetstones.
Crayon.	Oilstones.	White lead.
Cups, tin.	Padlocks.	Whiting.
Cushion beaters.	Paint pots.	Window cloths.
Dippers.	Picks.	Wire.
Disinfectants.	Pipe-joint grease.	Wire brushes.
Ditching lines.	Pliers.	Wrenches.
Drill bits.	Plumbago.	Zinc cakes.
Drinking cups.	Polish.	Zincs.
Drinking glasses.	Polish, stove.	

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

(g) *Incidental expenses.*—Watchmen's uniforms, clocks, and call boxes; traveling expenses connected with the operation of shops and not directly chargeable to other accounts; removal of snow and ice from transfer tables and shop yards; cleaning of privy vaults; horse keep; cost of ice for shops; and other undistributed shop expenses.

16. **MATERIAL STORE EXPENSES.**—To a clearing account called "Material store expenses" shall be charged expenses in connection with purchasing, handling, and storing material in and distributing it from the company's storehouses, including the pay of officers and employees in the purchasing and store departments and their traveling, office, and other expenses; also all expenses, including wages, fuel, and supplies, of operating switching locomotives when exclusively assigned to the service of switching at material storehouses. (Expenses of incidental switching at material yards by locomotives in regular switching service shall be charged to the appropriate transportation accounts.) The pay and expenses of men employed in purchasing or inspecting a single class of material, such as ties, shall be added as store expenses to the cost of that particular material.

The total amount of storehouse expense charged to this account shall be so distributed among the accounts to which material has been charged that the amounts thus distributed will be, for each account, in proportion to the value of the material issued chargeable thereto, except that the amount representing the purchasing department expenses shall be apportioned on the value of the material issued which was purchased by that department. To avoid monthly fluctuations in the ratio of store expenses to the value of material purchased or issued, carriers may make a monthly apportionment on the basis of fair percentage rates, provided the store expense account be adjusted and closed out at the end of each year.

17. **STATIONERY STORE EXPENSES.**—A clearing account entitled "Stationery store expenses" shall be kept, to which shall be charged expenses in connection with purchasing, handling, and storing stationery, and for distributing it from the stationery stores, including the pay of officers and employees in the stationery store department and their traveling, office and other expenses. The amounts charged to this account shall be apportioned to the accounts to which is charged stationery issued from the store, upon the basis of the charges to these accounts for such stationery. To avoid monthly fluctuations in the ratio of store expenses to the value of material issued or purchased carriers may make a monthly apportionment on the basis of fair percentage rates, provided the stationery store expense account be adjusted and closed out at the end of each year.

18. **INSURANCE.**—Provision has been made in each of the general accounts for premiums paid and amounts set aside for fire and other insurance. Amounts of insurance recovered on account of losses shall be credited to the accounts to which the losses are chargeable.

19. **EQUALIZATION OF EXPENSES.**—For the purpose of equalizing the monthly charges for the repairs of fixed improvements and equipment the carrier may include each month in the appropriate primary repair accounts a uniform proportion of the amount of authorized estimates of such expenses for the fiscal or calendar year. In a like manner, the authorized estimates of expenses on account of personal injury or loss and damage liability, for stationery and printing, and for advertising may be equalized in the monthly accounts for the fiscal or calendar year. If the carrier has been unable to carry out its program for repairs and does not adjust its accounts to conform

to the actual expenditures, it may carry forward the balances and treat them as provided in section 20, relating to balances in operating reserves. If, on account of claims for personal injury or loss and damage being unsettled at the close of the year, the accounts for such expenses are not adjusted, the balances carried forward in the operating reserve account shall be analyzed as also provided for in section 20 of these instructions.

Charges for stationery and printing, and for advertising, for a fiscal or calendar year shall be adjusted to the actual expenses.

20. **BALANCES IN OPERATING RESERVES.**—If, at the end of a fiscal year, balances remain in operating reserves, the carrier shall indicate in detail in a formal report to the Commission the amounts therein, and the conditions causing the carrying forward of such balances, except as to balances applicable to personal injury or loss and damage liability, for which balances the carrier shall preserve in its files the details upon which such estimates were based. Separate records shall be kept of the operating reserve accounts for each year.

21. **SUBPRIMARY ACCOUNTS FOR WATER LINES AND ELECTRIC DIVISIONS.**—When a carrier operates a water line and desires to set up subprimary accounts under the primary accounts for such operations contained in this classification, the subprimary accounts shall conform to the accounts prescribed in the classification of operation expenses of carriers by water. When the carrier operates an electric division and desires to set up subprimary accounts under the primary accounts contained in this classification, the subprimary accounts shall conform to the accounts prescribed in the classification of operating expenses of electric railways.

22. **INTERPRETATION OF ITEM LISTS.**—Lists of “items,” “details,” etc., have been given as a part of this classification for the purpose of clearly indicating the application of the accounting rules in specific cases. The lists in every case are to be considered as merely representative and not as excluding from any account analogous items which happen to be omitted from the list appended. On the other hand, the appearance of an item in a list warrants the inclusion of such item in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list—for example, the item of blank books under accounts Nos. 276, 334, 358, 410, and 458—and the proper charge in any one instance must be determined by the text of the account.

TEXT PERTAINING TO OPERATING EXPENSE ACCOUNTS

I. MAINTENANCE OF WAY AND STRUCTURES.

The primary accounts included in this general account are designed to show the expenses of maintaining fixed improvements which are devoted to railway operations, with the exception of shop machinery, power plant machinery, and power substation apparatus, the expenses of maintaining which are includible in general account II, Maintenance of Equipment.

The accounts for maintenance of way and structures shall be kept in such manner as to show separately, by primary accounts, the expenses directly assignable to sleeping car operations, water-line operations, dining and buffet service, hotels and restaurants, grain elevators, stockyards, producing power sold, and other miscellaneous operations.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

201. SUPERINTENDENCE.

This account shall include:

PAY OF OFFICERS.—The pay of officers directly in charge of or engaged in the maintenance of roadway and structures.

LIST OF OFFICERS.

(See special instructions, section 22.)

Vice president.	Bridge engineer.	Superintendent of roadway structures.
Assistant Vice President.	Chief signal engineer.	Inspector of maintenance.
General manager.	Assistant engineers.	Building inspector.
Assistant general manager.	Architect.	Inspector of roadway stores.
General superintendent.	Roadmaster.	Supervisor.
Assistant general superintendent.	Assistant roadmaster.	Assistant supervisor.
Chief engineer.	Master carpenter.	Fire chief.
Engineer.	Assistant master carpenter.	Fire inspector.
Division engineer.	Master mason.	Sanitary inspector.
	Superintendent of scales.	

PAY OF CLERKS AND ATTENDANTS.—The pay of clerks and other employees in the offices and on the business cars of officers whose pay is chargeable to this account.

LIST OF EMPLOYEES.

(See special instructions, section 22.)

Chief clerk.	Levelmen.	Messengers.
Draftsmen.	Rodmen.	Cooks.
Clerks.	Chainmen.	Porters.
Stenographers.	Axmen.	
Transitmen.	Janitors.	

OFFICE AND OTHER EXPENSES.—Office expenses and other expenses of officers and employees whose pay is chargeable to this account; also amounts paid detective agencies and others for investigations in connection with maintenance of way and structures.

ITEMS OF EXPENSE AND SUPPLIES.

(See special instructions, section 22.)

Atlases and maps.	Heating.	Rent of offices.
Books for office use.	Lighting.	Repairs of rented offices.
Business car service.	Official train service.	Telegraph service.
Fees and dues in associations.	Periodicals and newspapers.	Telephone service.
Furniture repairs and renewals.	Power.	Traveling expenses.
	Provisions for business cars.	Water and ice.

SUPPLIES FOR TECHNICAL ASSISTANTS.

(See special instructions, section 22.)

Barometers.	Magnifiers.	Slide rules.
Books and maps.	Marking chalk.	Stakes.
Boxes for materials and instruments.	Oilstones.	Straightedges.
Cameras.	Paper, blue-print.	Tally registers.
Camp equipage.	Parallel rules.	Tape lines.
Chains for surveyors.	Photographic supplies.	Tee-squares.
Compasses.	Plane tables.	Telescopes.
Curves.	Planimeters.	Thermometers.
Drafting boards.	Plummets.	Thumb tacks.
Drafting instruments.	Protractors.	Tracing linens.
Field glasses.	Ranging poles.	Transits.
Field notebooks.	Reading glasses.	Traverse tables.
Hatchets.	Rods for surveyors.	Triangles.
Levels.	Scales.	Tripods.
Magnets.	Section liners.	Verniers.
	Sextants.	

NOTE A.—When employees designated above are engaged on construction or other work not chargeable to Maintenance of Way and Structures, their pay and expenses while thus employed shall be charged to the specific work on which engaged.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

NOTE B.—When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants, and their office and other expenses shall be apportioned equally among the departments over which they have supervision.

NOTE C.—No part of the pay and expenses of the officers and employees designated above shall be charged to other primary accounts under Maintenance of Way and Structures.

NOTE D.—The cost of stationery for maintenance of way and structures offices is chargeable to account No. 276, "Stationery and printing."

202. ROADWAY MAINTENANCE.

This account shall include:

CARE OF ROADBED.—The cost of repairing roadbed.

ITEMS OF ROADWAY EXPENSE.

(See special instructions, section 22.)

Blasting rocks.	Oiling roadbed.
Building temporary tracks around slides and washouts.	Removing temporary tracks around slides and washouts.
Constructing and cleaning tile ditches, open ditches, and drains.	Repairing roadbed damaged by washouts.
Crowning track ties with retaining earth.	Removing dangerous rocks.
Filling borrow and cattle pits.	Removing slides.
Keeping tracks clear and repairing sub-grade in case of washouts.	Restoring roadbed, cuts, fills, and embankments to standard width.
Landscape gardening along roadway.	Sloping cuts.
	Sodding roadway.

NOTE A.—The cost of drains or sewers laid under tracks shall be included in account No. 208, "Bridges, trestles, and culverts." The cost of landscape gardening within the limits of the grounds around buildings shall be included in the appropriate repair accounts for buildings.

GENERAL CLEANING.—The cost of cutting, removing, and disposing of brush, grass, and weeds from the right of way; plowing and digging fireguards; dressing ballast and cutting sod lines; removing miscellaneous scrap, drift, cinders, dirt, and other material from right of way and from road and terminal tracks (including tracks at stations, engine yards, and car yards); and cleaning streets used as roadways.

NOTE B.—Loading ashes at engine-yard tracks shall be charged to the enginehouse expense accounts.

WATCHING ROADWAY.—The cost of extinguishing fires on right of way and adjacent thereto, and of walking, watching, and patrolling tracks and right of way.

NOTE C.—The cost of watching and patrolling bridges, buildings, and miscellaneous property is provided for in accounts specifically relating to such property.

BANK PROTECTION.—Cost of protecting banks by repairing retaining walls, riprap, piling, piers, dikes, breakwaters, and revetments, and by changing the channels of streams to prevent cutting, washing, and sliding of embankments.

TRAIN SERVICE.—The cost of work-train service in connection with work pertaining to roadway maintenance.

TRACK CHANGES.—The cost of roadway work in connection with taking up and relocating tracks.

OTHER EXPENSES.—The cost of roadway work not provided for elsewhere, such as official roadway inspection train service and premiums in connection with roadway maintenance.

NOTE D.—Tools and supplies used by repair men and watchmen in roadway maintenance service shall be charged to account No. 271, "Small tools and supplies."

(Note carefully special instructions, sections 2 and 3.)

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

203. ROADWAY—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of roadway. (See special instructions, section 8.)

204. UNDERGROUND POWER TUBES.

This account shall include the cost of repairing power tubes or conduits for underground contacts of electric railways or for underground cables of cable traction railways.

(Note carefully special instructions, sections 2 and 3.)

DETAILS OF UNDERGROUND CONTACT CONSTRUCTION.

(See special instructions, section 22.)

Concrete work.	Manhole frames.	Slot rails.
Drain pipes.	Pulleys.	Yokes.
Manhole covers	Sheaves.	

NOTE.—The cost of replacing track rails, other track material, electric contact rails, and insulators shall be charged to the accounts provided for such expenses and not to this account.

205. UNDERGROUND POWER TUBES—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of underground power tubes. (See special instructions, section 8.)

206. TUNNELS AND SUBWAYS.

This account shall include the cost of repairing, ventilating, lighting, and watching tunnels and subways for the passage of trains, and the cost of special tools and supplies furnished in connection with the work.

(Note carefully special instructions, sections 2 and 3.)

NOTE.—The cost of repairs to signals and to roadway and tracks in tunnels shall be charged to the appropriate maintenance of way accounts and not to this account.

207. TUNNELS AND SUBWAYS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of tunnels and subways. (See special instructions, section 8.)

208. BRIDGES, TRETTLES, AND CULVERTS.

This account shall include the cost of repairing (including fuel and supplies used) and watching bridges, trestles, and culverts, including altering and bracing during process of filling, removing old structures in connection with the construction of new structures, dredging and cleaning water channels for protection, and cleaning culverts.

The bridges, trestles, and culverts referred to in this account include only structure which carry the carrier's own tracks.

(Note carefully special instructions, sections 2 and 3.)

DETAILS OF BRIDGE STRUCTURES.

(See special instructions, section 22.)

Abutments.	Ice breakers.
Bridge signs.	Painting.
Cofferdams.	Pier protection.
Concrete and masonry ends for culverts.	Piers and foundations.
Cribs.	Pipe culverts.
Decking, including gravel for fire protection.	Retaining walls.
Dike protection.	Riprap around abutments.
Drainage systems.	Riprap at culvert ends.
Draw protection.	Supports.
Drawbridge engines and machinery.	Water channels.
False work.	Waterproofing.
Guard timbers.	Wing dams.
	Wing walls.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

NOTE.—When a part or the entire structure of a bridge or trestle is converted, by filling, into an earth embankment, the ledger value of the structure, or of the portion thereof filled, shall be credited to road and equipment account No. 6, "Bridges, trestles, and culverts." In case the bridge is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such a temporary trestle shall be charged to road and equipment account No. 3, "Grading." The ledger value of the structure, or portion thereof, filled, less the value of the salvage and the estimated cost of trestle charged to road and equipment account No. 3, "Grading," shall be charged to this account.

209. BRIDGES, TRESTLES, AND CULVERTS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of bridges, trestles, and culverts. (See special instructions, section 8.)

210. ELEVATED STRUCTURES.

This account shall include the cost of repairing elevated structures and foundations of elevated railway systems.

(Note carefully special instructions, sections 2 and 3.)

211. ELEVATED STRUCTURES—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of elevated structures and foundations of elevated railway systems. (See special instructions, section 8.)

212. TIES.

This account shall include the cost of cross, switch, bridge, and other track ties used in the repairs of tracks.

(Note carefully special instructions, sections 2 and 3.)

NOTE A.—The cost of labor for unloading, distributing, and putting ties in tracks, the cost of work-train service in connection with the distribution of the ties laid, and the cost of picking up and concentrating or disposing of the ties released shall be charged to account No. 220, "Track laying and surfacing."

NOTE B.—The excess cost of metal ties applied in place of wooden ties over the cost at current prices of replacing in kind the wooden ties removed shall be charged to road and equipment account No. 8, "Ties."

NOTE C.—The cost of ties used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing accounts, and of ties used for repairs of tracks on car floats in account No. 323, "Floating equipment—Repairs."

213. TIES—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of ties. (See special instructions, section 8.)

214. RAILS.

This account shall include the cost (less salvage) of rails used in the repairs of tracks; also the difference between the cost (at current prices at time of removal) of heavy rails removed and the cost of lighter rails applied in repairs of tracks.

(Note carefully special instructions, sections 2 and 3.)

NOTE A.—The cost of labor for unloading, distributing, and putting rails in tracks, the cost of work-train service in connection with the distribution of the rails laid, and the cost of picking up and concentrating the rails released shall be charged to account No. 220, "Track laying and surfacing."

NOTE B.—The excess cost of heavier rails or rails of improved quality or type applied in repairs of tracks over the cost, at current prices, of rails of the weight, type, and quality released shall be charged to road and equipment account No. 9, "Rails."

NOTE C.—The cost of rails used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing accounts, and of rails used for repairs of tracks on car floats to account No. 323, "Floating equipment—Repairs."

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

215. RAILS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of rails. (See special instructions, section 8.)

216. OTHER TRACK MATERIAL.

This account shall include the cost (less salvage) of all track material used in the repairs of tracks, other than ballast, ties, and rails.

(Note carefully special instructions, sections 2 and 3.)

ITEMS OF OTHER TRACK MATERIAL.
(See special instructions, section 22.)

Angle bars.	Offset bars.	Switch locks and keys.
Anticreepers.	Rail braces.	Switch points.
Connecting rods.	Rail chairs.	Switch stands.
Deraills.	Rail clips.	Switch-stand bolts.
Frog and guard-rail block-	Rail joints.	Switch targets.
ing.	Rail rests.	Switches.
Frogs.	Rail shims.	Tie plates.
Guard-rail clamps.	Rail splices.	Tie plugs.
Guard-rail fasteners.	Splice bars.	Tie-rods.
Guard rails.	Step chairs.	Track bolts.
Main rods.	Switch chairs.	Track insulators.
Nut locks.	Switch crossings.	Track spikes.
Nuts.	Switch lamps.	

NOTE A.—The cost of labor and train service for distributing, unloading and applying "other track material" used, and the cost of picking up and concentrating the material released shall be charged to account No. 220, "Track laying and surfacing."

NOTE B.—The excess cost of improved or heavier track material applied for repairs of tracks, under a definite plan of changing standards, over the cost, at current prices, of material of the same weight and quality as that released, shall be charged to road and equipment account No. 10, "Other track material."

NOTE C.—The cost of "other track material" used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing accounts, and of such track material used for repairs of tracks on car floats in account No. 323, "Floating equipment—Repairs."

217. OTHER TRACK MATERIAL—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of "other track material." (See special instructions, section 8.)

218. BALLAST.

This account shall include the cost of gravel, stone, slag, cinders, sand, and like ballast material used in the repairs of tracks, including the cost of work-train service and of unloading the material. (See special instructions, section 11.)

When the ballast taken from a pit is not sufficient to justify the opening of a clearing account, the cost of gravel and quarry rights and cost of sinking test holes shall be included in this account.

(Note carefully special instructions, sections 2 and 3.)

NOTE A.—The cost of loading cinders at ash pits shall be charged to account No. 388, "Enginehouse expenses—Yard," or to account No. 400, "Enginehouse expenses—Train." No charge to cover the value of cinders accumulated by the carrier shall be included in this account.

NOTE B.—The cost of labor putting ballast in tracks shall be included in account No. 220, "Track laying and surfacing."

NOTE C.—The excess cost of ballasting tracks over the cost of replacing in kind to its maximum height and width the ballast previously put in the roadbed shall be charged to road and equipment account No. 11, "Ballast."

NOTE D.—Earth placed to form a crown in the middle of the track is not to be considered as ballast.

NOTE E.—The cost of ballast used for repairs of temporary tracks, such as gravel pit or quarry tracks, shall be included in the appropriate clearing accounts.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

219. BALLAST—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of ballast. (See special instructions, section 8.)

220. TRACK LAYING AND SURFACING.

This account shall include:

APPLYING BALLAST.—The cost of labor expended in preparing the road-bed, and applying ballast for repairs of tracks.

APPLYING TIES.—The cost of labor expended in unloading, distributing, and applying ties for repairs of tracks; in gathering up and disposing of the ties released; and in respacing ties.

APPLYING RAILS.—The cost of labor expended in unloading, distributing, cutting, slotting, drilling, adzing for, and laying rails for repairs of tracks; in gathering up and loading rails released; and in adjusting for expansion and contraction of rails.

APPLYING OTHER TRACK MATERIAL.—The cost of labor expended in unloading, distributing, and applying other track material for repairs of tracks; and the cost of gathering up and loading the material released.

TRACK MAINTENANCE.—The cost of labor expended in alining, surfacing, gauging, and shimming tracks; in tightening track bolts and track spikes; in restoring rails, ties, and ballast in case of washouts, derailments, and wrecks; and in taking up tracks.

TRAIN SERVICE.—The cost of work-train service (except work trains distributing ballast material) in connection with work pertaining to track laying and surfacing.

TRACK CHANGES.—The cost of track work (exclusive of the cost of track material) in taking up and relocating tracks.

OTHER EXPENSES.—The cost of track laying and surfacing work not provided for elsewhere, and expenses, such as repairing and replacing rail rests, official track inspection train service, and premiums in connection with track repairs.

(Note carefully special instructions, sections 2 and 3.)

NOTE.—Tools and supplies used by track repair men and watchmen shall be charged to account No. 271, "Small tools and supplies."

221. RIGHT-OF-WAY FENCES.

This account shall include the cost of repairing right-of-way fences including permanent snow and sand fences in lieu of ordinary right-of-way fences), farm gates, cattle guards, wing fences, aprons, and hedges, except those around stockyards, fuel stations, station and shop grounds, and building sites.

(Note carefully special instructions, sections 2 and 3.)

222. RIGHT-OF-WAY FENCES—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of right-of-way fences. (See special instructions, section 8.)

223. SNOW AND SAND FENCES AND SNOWSHEDS.

This account shall include the cost of repairing permanent and portable snow and sand fences and snowsheds for the protection of tracks from snow and sand, including rent of land for placing snow and sand fences.

(Note carefully special instructions, sections 2 and 3.)

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

NOTE A.—The cost of repairing permanent snow and sand fences which take the place of right-of-way fences shall be included in account No. 221, "Right-of-way fences."

NOTE B.—The cost of setting up, taking down, and storing portable snow and sand fences shall be included in account No. 272, "Removing snow, ice, and sand."

224. SNOW AND SAND FENCES AND SNOWSHEDS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of snow and sand fences and snowsheds. (See special instructions, section 8.)

225. CROSSINGS AND SIGNS.

This account shall include the cost of repairing farm passes, highway crossings, and crossings of other railways crossing the carrier's right of way, except railways crossing at grade; also cost of repairing tracks signs.

(Note carefully special instructions, sections 2 and 3.)

DETAILS OF GRADE CROSSINGS.

(See special instructions, section 22.)

Batteries, with track instruments and connections, including battery renewals.	Planking.
Crossing gates.	Soil crossing drains.
Crossing signal bells.	Watch houses at crossings.
Hose for sprinkling grade crossings.	Warning signals.
Paving.	Water for sprinkling grade crossings.
	Water pipes.

DETAILS OF OVERGRADE CROSSINGS.

(See special instructions, section 22.)

Bridge substructures.	Drainage systems.
Bridge superstructures.	Piers, including foundations.
Decking, including roadways.	Retaining and wing walls, including foundations.

DETAILS OF UNDERGRADE CROSSINGS.

(See special instructions, section 22.)

Drainage systems.	Roadways and sidewalks.
Retaining walls, outside of bridge abutments.	Curbing.

LIST OF SIGNS.

(See special instructions, section 22.)

Boundary signs.	Subdivision boards.
Mile signs.	Tunnel caution signs.
Monument stones.	Water station signs.
Overhead-bridge caution signs.	Water trough signs.
Section signs.	Whistle signs.
Slow or stop signs.	Yard-limit signs.

NOTE A.—The cost of repairing shop and station overgrade footbridges and subways not public highways shall be included in repairs of such buildings.

NOTE B.—The cost of repairing a bridge or other structure which carries the track of another carrier over the accounting carrier's tracks shall be included in this account. The cost of repairing bridges or trestles, carrying the carrier's tracks over roads, highways, or other railways, shall be charged to account No. 208, "Bridges, trestles, and culverts."

NOTE C.—The cost of repairing bridge signs shall be included in account No. 208, "Bridges, trestles, and culverts."

226. CROSSINGS AND SIGNS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of crossings and signs. (See special instructions, section 8.)

227. STATION AND OFFICE BUILDINGS.

This account shall include the cost of repairing station and office buildings, fixtures, and appurtenances (including those for heating and lighting),

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

used by the carrier in its operations; also the cost of maintaining grounds appurtenant to such buildings.

(Note carefully special instructions, sections 2 and 3.)

STATION AND OFFICE STRUCTURES AND DETAILS.

(See special instructions, section 22.)

Baggage rooms.	Gas-supply systems.	Reading rooms.
Breakwaters for protection of buildings.	General office buildings.	Rooms for Y. M. C. A.
Buildings and rooms for trainmen.	Grain cribs.	Scale houses.
Buildings on piers.	Grain elevators.	Sidewalks.
Call bells.	Grain warehouses.	Stables.
Coal bins.	Greenhouses.	Station footbridges (not highway crossings).
Coal-transferring machinery (not on coal and ore wharves).	Hay houses.	Station intertrack fences.
Coal trestles (not at fuel stations).	Heating plants.	Station platforms.
Commissarial buildings.	Hedges.	Station signs.
Drainage and sewer systems.	Hoisting engines, for handling freight.	Station stairways.
Dwellings.	Hose houses.	Station subways (not highway crossings.)
Eating houses.	Ice houses.	Station power houses.
Elevators and machinery.	Lighting plants.	Stations, freight.
Electric wiring.	Mail cranes.	Stations, passenger.
Express buildings.	Milk stands.	Stock pens.
Fences.	Office buildings.	Storehouses.
Fire-engine houses.	Ore transferring machinery (not on coal and ore wharves).	Telegraph offices.
Freight cranes.	Outhouses.	Telpher systems.
Freight derricks.	Pavement in ground limits.	Track scales.
Freight-handling machinery.	Platforms, freight.	Transfer houses.
Freight houses.	Platforms, passenger, including planking between tracks.	Transfer platforms.
Garages.	Power distribution systems, interior.	Waiting rooms.
		Warehouses.
		Washrooms.
		Water-supply systems.

NOTE.—Incidental cleaning, including the cost of cleaning snow from roofs, when done by station or office employees, shall not be included in this account.

228. STATION AND OFFICE BUILDINGS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of station and office buildings. (See special instructions, section 8.)

229. ROADWAY BUILDINGS.

This account shall include the cost of repairing roadway shops and other roadway buildings, including drainage, water, gas, and sewer pipes and their connections, machinery and other apparatus, fixtures, and furniture in the buildings, also the cost of maintaining the grounds appurtenant to such buildings.

(Note carefully special instructions, sections 2 and 3.)

LIST OF ROADWAY STRUCTURES.

(See special instructions, section 22.)

Bins for material.	Frog shops used solely for repairs of track material.	Repair shops.
Blacksmith shops.	Hand-car houses.	Scrap bins.
Boarding houses.	Lumber sheds.	Section dwelling houses.
Breakwaters for protection of buildings.	Offices.	Stables.
Carpenter shops.	Outhouses.	Storehouses.
Dwellings for roadway employees.	Planing mills.	Tool houses.
Fire-engine houses.	Rail shops used solely for repairs of track material.	Watch houses.

NOTE A.—The cost of repairing signal and interlocker buildings and their appurtenances shall be included in account No. 249, "Signals and interlockers."

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

NOTE B.—Incidental cleaning, including the cost of cleaning snow from roofs, when done by employees regularly working in the buildings, shall not be included in this account.

230. ROADWAY BUILDINGS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of roadway buildings. (See special instructions, section 8.)

231. WATER STATIONS.

This account shall include the cost of repairing water stations, fixtures, and appurtenances used by the carrier in its operations, and the cost of maintaining the grounds appurtenant to such stations.

(Note carefully special instructions, sections 2 and 3.)

WATER STATION STRUCTURES AND DETAILS.

(See special instructions, section 22.)

Boilers.	Penstocks.	Tanks and foundations.
Breakwaters for protection of buildings.	Pump houses.	Track tanks.
Buildings on piers.	Pumps.	Tubs.
Cisterns.	Purifying plants.	Water cranes.
Dams.	Reservoirs.	Water-pipe lines.
Fences.	Settling basins.	Water-treating plants.
Outhouses.	Stationary engines.	Wells.
	Steam pipes.	Windmills.

NOTE.—Incidental cleaning, including the cost of cleaning snow from roofs, when done by water station employees, shall not be included in this account.

232. WATER STATIONS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of water stations. (See special instructions, section 8.)

233. FUEL STATIONS.

This account shall include the cost of repairing fuel stations, fixtures, and appurtenances used by the carrier in its operations, and the cost of maintaining the grounds appurtenant to such stations.

(Note carefully special instructions, sections 2 and 3.)

FUEL STATION STRUCTURES AND DETAILS.

(See special instructions, section 22.)

Breakwaters for protection of buildings.	Fences.	Inclines.
Buckets.	Fuel houses.	Outhouses.
Building on piers.	Fuel-oil columns.	Scales.
Coal buggies.	Fuel-oil plants.	Sheds.
Coal hoists.	Fuel-oil pumps.	Stationary engines.
Coal pockets and chutes.	Fuel-oil sumps.	Tipple cars.
Dumping machinery.	Fuel-oil tanks.	Weighing apparatus.
Elevating machinery.	Fuel platforms.	Wood racks.
	Fuel wharves.	

NOTE.—Incidental cleaning, including the cost of cleaning snow from roofs, when done by fuel station employees, shall not be included in this account.

234. FUEL STATIONS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of fuel stations. (See special instructions, section 8.)

235. SHOPS AND ENGINEHOUSES.

This account shall include the cost of repairing shop and enginehouse buildings, fixtures, and appurtenances used by the carrier in repairing and preparing equipment, and the cost of maintaining the grounds appurtenant to such buildings.

(Note carefully special instructions, sections 2 and 3.)

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

SHOP AND ENGINEHOUSE STRUCTURES AND DETAILS.

(See special instructions, section 22.)

Air-compressor houses.	Foundries.	Repair shops.
Ash pits and pockets.	Gas-compressor houses.	Sand houses.
Ash plants.	Heating plants.	Scale houses.
Bins for material.	Hose houses.	Scrap bins.
Blacksmith shops.	Ice houses.	Sidewalks.
Breakwaters for protection of buildings.	Laboratories.	Stables.
Buildings on piers.	Lighting plants.	Steam distribution systems, interior.
Car sheds.	Lumber sheds.	Storehouses.
Car shops.	Machine shops.	Tanks, gas.
Carpenter shops.	Material and supply truck tracks.	Tanks, oil.
Cinder pits.	Motor-crane tracks.	Test rooms.
Cinder pockets.	Offices, shop.	Tin shops.
Drop pits.	Oil houses.	Tool houses.
Dry houses.	Outhouses.	Track scales.
Electric-power distribution systems within buildings.	Paint-shops.	Transfer tables.
Enginehouses.	Pipe lines, air, interior.	Turntables.
Fire-engine houses.	Pipe lines, car-heating.	Upholstering shops.
Footbridges (not public highways).	Pipe lines, gas, interior.	Warehouses.
	Planing mills.	Wash rooms.
	Platforms, shop and yard.	Watch houses.

NOTE A.—The cost of repairing machinery and other apparatus, including special foundations, in shops for maintenance of equipment shall be included in account No. 302, "Shop machinery."

NOTE B.—Incidental cleaning, including the cost of cleaning snow from roofs, when done by shop employees, shall not be included in this account.

236. SHOPS AND ENGINEHOUSES—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of shops and enginehouses. (See special instructions, section 8.)

237. GRAIN ELEVATORS.

This account shall include the cost of repairing structures for the transfer, treatment, and storage of grain, including conveyors, machinery and fixtures; also the cost of maintaining the grounds appurtenant to such buildings.

The buildings referred to in this account are large elevators in which a regular grain business is handled or grain is stored for various owners.

(Note carefully special instructions, sections 2 and 3.)

NOTE A.—Small storage elevators at way stations, where the freight is received for shipment, etc., are classed as station buildings.

NOTE B.—Incidental cleaning, including the cost of cleaning snow from roofs, when done by grain elevator employees shall not be included in this account.

238. GRAIN ELEVATORS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of grain elevators. (See special instructions, section 8.)

239. STORAGE WAREHOUSES.

This account shall include the cost of repairing storage warehouses, including machinery and fixtures therein; also the cost of maintaining the grounds appurtenant to such warehouses.

The buildings referred to herein are not the ordinary freight warehouses or stations where freight is received for shipment, etc., but are warehouses in which merchandise is stored and which the carrier operates as storage warehouses.

(Note carefully special instructions, sections 2 and 3.)

NOTE.—Incidental cleaning, including the cost of cleaning snow from roofs, when done by storage warehouse employees, shall not be included in this account.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

240. STORAGE WAREHOUSES—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of storage warehouses. (See special instructions, section 8.)

241. WHARVES AND DOCKS.

This account shall include the cost of repairing wharves located at marine, lake, or river docks; dredging waterways to approaches and around such structures, including removal of dredged-out material; and cutting ice in and around docks and wharves to prevent damage; also cost of repairs of cribwork, racks, or caissons for preserving the depth of water in docks; and cost of repairs of guards, piling, and other protection against damage by drift or ice.

(Note carefully special instructions, sections 2 and 3.)

DETAILS OF WHARVES AND DOCKS.
(See special instructions, section 22.)

Bridge pontoons.
Bulkheads.
Caissons.
Cribwork.

Dry docks.
Ferry-bridge machinery.
Ferry bridges.
Ferry racks.

Ferry slips.
Jetties and inclines.
Transfer-bridge machinery.
Transfer bridges.

NOTE A.—The cost of repairing buildings, tracks, and machinery (not bridge machinery) on wharves and piers shall be charged to the appropriate expense accounts.

NOTE B.—The cost of repairing coal and ore wharves shall be charged to account No. 243, "Coal and ore wharves."

NOTE C.—Incidental cleaning, when done by regular wharf employees, shall not be included in this account.

242. WHARVES AND DOCKS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of wharves and docks. (See special instructions, section 8.)

243. COAL AND ORE WHARVES.

This account shall include the cost of repairing wharves and docks, including the cost of repairing conveyors, machinery, and fixtures for the transfer, treatment, blending, or storage of coal or ore.

(Note carefully special instructions, sections 2 and 3.)

NOTE A.—The structures referred to in this account do not include small transfer or storage trestles at stations where coal is stored or delivered, such trestles being classed as station buildings.

NOTE B.—Incidental cleaning, including the cost of cleaning snow from roofs, when done by coal and ore wharf employees, shall not be included in this account.

244. COAL AND ORE WHARVES—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of coal and ore wharves. (See special instructions, section 8.)

245. GAS PRODUCING PLANTS.

This account shall include the cost of repairing gas producing and gas compressing plants, including the machinery and appliances in such plants; also the cost of maintaining the grounds appurtenant to such plants.

(Note carefully special instructions, sections 2 and 3.)

NOTE.—Incidental cleaning, including the cost of cleaning snow from roofs, when done by employees of the gas producing plant, shall not be included in this account.

246. GAS PRODUCING PLANTS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of gas producing plants and gas compressing plants. (See special instructions, section 8.)

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

247. TELEGRAPH AND TELEPHONE LINES.

This account shall include:

TELEGRAPH.—The cost of repairs of telegraph outside plant and terminal equipment for which the carrier is responsible, including the cost of work-train service and of special tools provided for the work.

TELEPHONE.—The cost of repairs of telephone outside plant and terminal equipment for which the carrier is responsible, including the cost of work-train service and of special tools provided for the work.

(Note carefully special instructions, sections 2 and 3.)

DETAILS OF TELEGRAPH AND TELEPHONE TERMINAL EQUIPMENT.

(See special instructions, section 22.)

Batteries.	Fuses and mechanical protectors.
Cables and wires, interior.	Rectifiers.
Conduits, interior.	Rheostats.
Connecting wires.	Sending and receiving instruments.
Current-controlling instruments.	Switchboards.
Electric generators and motors.	Testing outfits.
Electric meters.	Transformers.
Engines, stationary.	

DETAILS OF TELEGRAPH AND TELEPHONE OUTSIDE PLANT.

(See special instructions, section 22.)

Aerial attachments.	Guy wires.
Braces.	Insulators.
Brackets.	Poles.
Cable boxes and appurtenances.	Submarine cables and connections.
Cables and wires, aerial.	Telephone pole boxes.
Conduits and appurtenances.	Towers.
Cross arms.	Underground cables and connections.
Guy stubs.	

NOTE.—The salaries, rent, other office expenses, and traveling expenses of superintendents of telegraph and telephone, their assistants, clerks, and attendants, when engaged both in maintaining and operating telegraph and telephone lines, shall be apportioned equally between this account and account No. 407, "Telegraph and telephone operation."

248. TELEGRAPH AND TELEPHONE LINES—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of telegraph and telephone lines. (See special instructions, section 8.)

249. SIGNALS AND INTERLOCKERS.

This account shall include the cost of repairing signals and interlockers governing the movement of trains, including salaries, rent, and other office expenses, and the traveling expenses of division signal engineers, signal supervisors, their assistants, clerks, and attendants; also the cost of special tools furnished for such work.

(Note carefully special instructions, sections 2 and 3.)

DETAILS OF SIGNALS AND INTERLOCKERS.

(See special instructions, section 22.)

Air compressors.	Interlocker mechanism.
Batteries.	Levers.
Boilers.	Power transmission lines.
Distant signals.	Rail bonds
Dynamos.	Railway-crossing signals.
Engines, stationary.	Relays.
Gates at crossings of other railroads.	Semaphores.
Home signals.	Signal and switch levers.
Interlocker buildings.	Signal arms.
Interlocker machinery	Signal blades.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

Signal bridges.	Signal pulleys and foundations.
Signal buildings.	Special appliances.
Signal lamp brackets and connections.	Station signals.
Signal lamps.	Train-order signals.
Signal machinery.	Wiring.
Signal poles and foundations.	

NOTE.—The cost of repairing track material, such as switches, special track fastenings, split rails, and frogs used in connection with interlockers, shall be charged to account No. 216, "Other track material."

250. SIGNALS AND INTERLOCKERS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of signals and interlockers. (See special instructions, section 8.)

251. POWER PLANT DAMS, CANALS, AND PIPE LINES.

This account shall include the cost of repairing dams, canals, and pipe lines and accessories devoted to the utilization of water power for the operation of trains and cars, and to furnish power, heat, and light for general purposes.

(Note carefully special instructions, sections 2 and 3.)

DETAILS OF DAMS, CANALS AND PIPE LINES.

(See special instructions, section 22.)

Aqueducts.	Gates.	Roadways.
Bridges.	Grids.	Sluices.
Fences.	Inlet valves.	Valves.
Footbridges.	Penstocks.	Viaducts.
Fore bays.	Reservoirs.	Walls.

252. POWER PLANT DAMS, CANALS, AND PIPE LINES—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of power plant dams, canals, and pipe lines. (See special instructions, section 8.)

253. POWER PLANT BUILDINGS.

This account shall include the cost of repairing the buildings of power plants which furnish power for the operation of trains and cars, and furnish power, heat, and light for general purposes, including distinct power plant buildings at shops; drainage, water, and sewer pipes and their connections; miscellaneous furniture and fixtures; and the cost of maintaining the grounds appurtenant to such buildings.

(Note carefully special instructions, sections 2 and 3.)

NOTE A.—The cost of repairing machinery and other apparatus in general power plants shall be included in account No. 304, "Power plant machinery."

NOTE B.—Incidental cleaning, including the cost of cleaning snow from roofs, when done by power plant employees, shall not be included in this account.

254. POWER PLANT BUILDINGS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of power plant buildings. (See special instructions, section 8.)

255. POWER SUBSTATION BUILDINGS.

This account shall include the cost of repairing buildings of power substations, including storage-battery stations, used to transform power for the operation of trains and cars, and to furnish power, heat, and light for general purposes; drainage, water, and sewer pipes and their connections; fixtures, including wiring for lighting and heating; and mis-

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

cellaneous furniture and fixtures; also the cost of maintaining the grounds appurtenant to such buildings.

(Note carefully special instructions, sections 2 and 3.)

NOTE A.—The cost of repairing substation apparatus for transforming or storing power in power substations shall be included in account No. 306, "Power substation apparatus."

NOTE B.—Incidental cleaning, including the cost of cleaning snow from roofs, when done by substation employees, shall not be included in this account.

256. POWER SUBSTATION BUILDINGS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of power substation buildings. (See special instructions, section 8.)

257. POWER TRANSMISSION SYSTEMS.

This account shall include the cost of repairing systems for transmitting high-tension power from power houses to the point where transformed for use, including the cost of work-train service and special tools furnished for such work.

(Note carefully special instructions, sections 2 and 3.)

DETAILS OF POWER TRANSMISSION SYSTEMS.

(See special instructions, section 22.)

Cables.	Span wires.
Cut-outs (not at power houses and substations).	Switchboards (not at power houses and substations).
Feed wires.	Transformers (not at power houses and substations).
Guard wires.	
Insulators and connections.	

NOTE A.—The cost of repairing track material, such as insulated rail splices used in connection with transmission systems shall be charged to account No. 216, "Other track material."

NOTE B.—When the electric current generated or received is changed by means of (a) rotary converters, (b) motor generator sets, or (c) static transformers (substation apparatus), that portion of the line or outside conductor system carrying current other than the operating kind or voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and kind, the line or outside conductor system, including any feeders, trolley wires, booster circuits, and supplementary return, shall be classed wholly as distribution system. Tie lines between generating stations and substations should follow the same rule as other lines.

258. POWER TRANSMISSION SYSTEMS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of power transmission lines. (See special instructions, section 8.)

259. POWER DISTRIBUTION SYSTEMS.

This account shall include the cost of repairing electric distribution systems, whether overhead, surface, or underground, for conveying low-tension power for propelling trains and cars, and for power, heat, light, and general purposes.

(Note carefully special instructions, sections 2 and 3.)

DETAILS OF POWER DISTRIBUTING SYSTEMS.

(See special instructions, section 22.)

Compressed-air pipe lines.	Rail insulating devices.
Cut-outs (not at power houses and substations).	Span wires.
Feed wires.	Steam pipe lines.
Guard wires.	Switchboards (not at power houses and substations).
Insulators and connections.	Third rail.
Overhead trolley wires.	Third-rail braces.
Rail bound plugs.	Third-rail insulation and protection.
Rail bonds.	Third-rail supports.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

NOTE A.—The cost of repairing and replacing track material, such as insulated rail splices, used in connection with electric distribution systems, shall be charged to account No. 216, "Other track material."

NOTE B.—The cost of repairing that portion of distribution systems located in shop buildings and station and office buildings shall be included in the cost of repairing the buildings. The cost of repairing distribution systems in plants used exclusively for operating signals and interlockers shall be included in account No. 249, "Signals and interlockers."

NOTE C.—When the electric current generated or received is changed by means of (a) rotary converters, (b) motor generator sets, or (c) static transformers (substation apparatus), that portion of the line or outside conductor system carrying current other than the operating kind or voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and kind, the line or outside conductor system, including any feeders, trolley wires, booster circuits, and supplementary return, shall be classed wholly as distribution system. Tie lines between generating stations and substations should follow the same rule as other lines.

260. POWER DISTRIBUTION SYSTEMS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of power distribution systems. (See special instructions, section 8.)

261. POWER LINE POLES AND FIXTURES.

This account shall include the cost of repairing and replacing electric line poles, cross arms, and insulating pins; brackets and other pole fixtures; and braces and other supports for holding poles in position; also the cost of repairing structures primarily for supporting the overhead electric construction.

(Note carefully special instructions, sections 2 and 3.)

262. POWER LINE POLES AND FIXTURES—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of power line poles and fixtures. (See special instructions, section 8.)

263. UNDERGROUND CONDUITS.

This account shall include the cost of repairing conduits required for underground electric wires and cables of electric railway construction, including manholes, sewer connections, sewer traps, and all other material necessary for the maintenance of the conduit system.

(Note carefully special instructions, sections 2 and 3.)

264. UNDERGROUND CONDUITS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of underground conduits. (See special instructions, section 8.)

265. MISCELLANEOUS STRUCTURES.

This account shall include the cost of repairing permanent structures, not provided for elsewhere, including the cost of repairing all furniture and fixtures to equip them for use. It shall also include the cost of maintenance of the grounds appurtenant to such structures.

(Note carefully special instructions, sections 2 and 3.)

NOTE A.—When separable the cost of maintaining structures which are rented to other companies or individuals shall be charged to the income account in which is included the rent received for use of the structures.

NOTE B.—Incidental cleaning, including the cost of cleaning snow from roofs, when done by employees regularly working in miscellaneous buildings, shall not be included in this account.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

266. MISCELLANEOUS STRUCTURES—DEPRECIATION.

This account* shall include charges covering the current loss from depreciation of miscellaneous structures. (See special instructions, section 8.)

267. PAVING.

This account shall include the cost of repairing paving about tracks in public highways and streets through which the carrier's tracks are laid.

(Note carefully special instructions, sections 2 and 3.)

NOTE.—The cost of repairing paving upon the carrier's lands, within the grounds of buildings or other structures, shall be included in the accounts provided for the repairs of the structures, and the cost of repairing paving upon the carrier's right of way at crossings in account No. 225, "Crossings and signs."

268. PAVING—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of paving. (See special instructions, section 8.)

269. ROADWAY MACHINES.

This account shall include the cost of repairing roadway machines which are used for the repairs of roadway and structures.

(Note carefully special instructions, sections 2 and 3.)

LIST OF ROADWAY MACHINES.

(See special instructions, section 22.)

Boilers, portable.	Grading outfits.
Cars, hand.	Hydraulic outfits.
Cars, lever.	Jacks, hydraulic.
Cars, motor inspection.	Log loaders.
Cars, push.	Pile drivers.
Cars (small), crane, for supply yards	Plows, unloading.
and general use.	Rail unloaders.
Concrete mixers.	Rock crushers.
Ditching machines.	Steam rollers.
Dredging machines.	Timber trucks.
Engines, portable.	Velocipedes.

NOTE A.—The cost of repairing machines in the maintenance of equipment shops shall be included in account No. 302, "Shop machinery," as provided for therein.

NOTE B.—The cost of repairing roadway machines, such as pile drivers, log loaders, hoisting engines, and concrete mixers, when permanently mounted for movement on carrier's tracks, shall be included in account No. 326, "Work equipment—Repairs."

270. ROADWAY MACHINES—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of roadway machines. (See special instructions, section 8.)

271. SMALL TOOLS AND SUPPLIES.

This account shall include:

ROADWAY AND TRACK TOOLS.—The cost of roadway tools (except special tools provided for elsewhere), including the cost of repairing such tools.

(Note carefully special instructions, sections 2 and 3.)

LIST OF ROADWAY AND TRACK TOOLS.

(See special instructions, section 22.)

Adzes.	Bars, pinch.	Cans, oil.
Anvils.	Bars, raising.	Cans, water.
Augers.	Bars, tamping.	Cant hooks.
Axes.	Braces and bits.	Chains.
Ballast forks.	Brooms.	Chisels, track.
Bars, claw.	Brush hooks.	Chisels, wood.
Bars, crow.	Cable stretchers.	Cürbing hooks.
Bars, lining.	Cables.	Dippers.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

Drawing knives.	Nippers.	Spades.
Drill bits.	Oilstones.	Spike mauls.
Drills (portable).	Padlocks.	Spike pullers.
Flags, signal.	Pails, water.	Spot boards.
Furnaces (portable).	Paint brushes.	Squares.
Grindstones.	Picks, clay.	Straightening machines.
Hammers, napping.	Picks, tamping.	Tape lines.
Hammers, paving.	Pike poles.	Thermometers for laying rail.
Hammers, spiking.	Post-hole diggers.	Tongs.
Handles for tools.	Post-hole tamper.	Tool boxes.
Hatchets.	Punches.	Torches.
Hoes.	Rail benders.	Track gauges.
Jack levers.	Rail tongs.	Track levels.
Jacks, ratchet.	Rakes.	Vises.
Jacks, screw.	Rope.	Weed spuds.
Jacks, track.	Saws, crosscut.	Wheelbarrows.
Kegs, water.	Saws, hand.	Whetstones.
Ladders.	Scrap boxes.	Wood mallets.
Lanterns and fixtures.	Scythes.	Wrenches, monkey.
Lawn mowers.	Shovels.	Wrenches, track.
Levels.	Sickles.	
Lines for ditching.	Sledges.	

ROADWAY AND TRACK SUPPLIES.—The cost of supplies consumed in connection with the operation of roadway machines while used in repairs of roadway and tracks; and cost of supplies used by trackwalkers, track watchmen, and roadway and track repair men.

ITEMS OF ROADWAY SUPPLIES.

(See special instructions, section 22.)

Alcohol for hydraulic jacks.
 Fuel for heating tool and other section houses.
 Fuel for portable forges used in roadway and track work.
 Gasoline for motor cars.
 Oatmeal and ice for drinking water used by roadway and track repair men.
 Oil and waste for hand cars, lever cars, motor inspection cars, and push cars.
 Oil and wicks for lanterns used by track walkers, track watchmen, and roadway and track repair men.
 Oil and wicks for lighting tool and other section houses.
 Torpedoes used by trackwalkers, track watchmen, and roadway and track repair men.
 Water for section houses.

272. REMOVING SNOW, ICE, AND SAND.

This account shall include the cost of keeping track and roadway clear of snow, ice, and sand.

It shall include cost of preventing accumulation, such as the cost of distributing, setting up, inspecting, taking down, and regathering portable snow and sand fences; and cost of tools furnished for the purpose; also cost of storing fences.

It shall include cost of removing accumulations of snow, ice, and sand, cost of snow-plow and flanger service, and of work-train service; cost of applying and removing flangers from locomotives and cars, and of slatting pilots; cost of salt to keep switches clear; and cost of meals and lodging for men employed in removal service.

(Note carefully special instructions, sections 2 and 3.)

273. ASSESSMENTS FOR PUBLIC IMPROVEMENTS.

This account shall include the carrier's proportion of the cost of repairing public improvements, such as sewers, curbs, gutters, pavements and sidewalks, including costs of such repairs made under Government regulations by the carrier's own employees.

(Note carefully special instructions, sections 2 and 3.)

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

NOTE.—The cost of repairs, required by Government authority, to paving between rails and adjacent to tracks laid through public highways shall be included in account No. 267, "Paving."

274. INJURIES TO PERSONS.

This account shall include expenses on account of injuries to persons which occur directly in connection with the maintenance of way and structures, including injuries occurring in connection with the operation of work trains in such service, and injuries caused by defective highways within the right of way.

It shall also include expenses on account of injuries to employees incurred while demolishing structures, the maintenance of which would be chargeable to Maintenance of Way and Structures; services of employees and others called in consultation in connection with claim adjustments; pay and expenses of employees while engaged as witnesses at inquests and lawsuits; and a suitable proportion of donations made to hospitals.

ITEMS OF EXPENSE.

(See special instructions, section 22.)

Artificial limbs.	Medical and surgical services.
Carriage fees.	Medical and surgical supplies.
Claim adjusters' and clerks' services	Notarial fees.
Claim adjusters' office expenses.	Nursing.
Compensation for injuries or death.	Railway transportation.
Final judgments, including plaintiffs' court costs.	Undertakers' services.
Funeral expenses.	Undertakers' supplies.
Hospital attendance.	Witnesses' fees and expenses at inquests and law suits.

NOTE A.—Expenses incident to personal injury suits, not otherwise provided for, shall be included in account No. 454, "Law expenses."

NOTE B.—Amounts donated by a carrier to hospitals shall be distributed, 25 per cent to account No. 274, "Injuries to persons"; 25 per cent to account No. 332, "Injuries to persons"; and 50 per cent to account No. 420, "Injuries to persons."

NOTE C.—The pay, office rent, office expenses, and other expenses of claim adjusters, claim clerks and others in charge of or engaged in connection with claim cases, when not assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged.

275. INSURANCE.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to Maintenance of Way and Structures; also premiums on fidelity bonds of employees whose pay is chargeable to Maintenance of Way and Structures. (See special instructions, section 18.)

NOTE.—The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies in reimbursement for losses under such reinsurance.

276. STATIONERY AND PRINTING.

This account shall include the cost of stationery and printing used in connection with maintenance of way and structures.

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STATIONERY AND PRINTING ITEMS.

(See special instructions, section 22.)

Adding machines.	Glass pens.	Pins.
Addressographs and sup- plies.	Hectographs.	Postage.
Arm rests.	Indexes.	Profile books and paper.
Binders.	Ink for writing and draw- ing.	Punches (not conductors' or baggage men's).
Blank books.	Inkstands.	Rubber bands.
Blotters.	Invoice books.	Rubber stamps.
Blotting paper.	Legal cap paper.	Rulers.
Bristol board.	Letter paper.	Ruling pens.
Calculating machines.	Manifold paper.	Scrapbooks.
Calendars.	Manifold pens.	Sealing wax.
Carbon paper.	Mimeographs.	Seals.
Cardboard.	Mucilage.	Shears.
Cards, blank and printed.	Mucilage brushes.	Shipping tags.
Circulars.	Neostyles.	Shorthand notebooks.
Computing tables.	Note paper.	Sponge cups.
Copy (impression) books.	Notices.	Sponges.
Copying brushes.	Numbering stamps.	Stamps, impression.
Copying presses.	Oil paper.	Stylographs.
Crayons.	Paper.	Tablets, blank and printed.
Cross-section books.	Paper baskets.	Tape.
Cross-section paper.	Paper clips.	Telegraph blanks.
Cyclostyles.	Paper cutters.	Tissue (impression) paper.
Dating stamps and ribbons.	Paper fasteners.	Tracing cloth.
Dictaphones.	Paper files.	Tracing paper.
Dictographs.	Paper weights.	Twine.
Drawing paper.	Papyrographs.	Typewriters and ribbons.
Duplicators.	Pencil sharpeners.	Wage tables.
Electric pens.	Pencils for writing and drawing.	Wastebaskets.
Envelopes.	Penholders.	Water colors.
Erasers, rubber and steel.	Penracks.	Water holders.
Eyelet punches.	Pens for writing and draw- ing.	Wrapping paper.
Eyelets.	Phonographs and records.	Wringers for copying presses.
File boxes, paper.		
Forms, blank and printed.		

NOTE.—The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

277. OTHER EXPENSES.

This account shall include all expenses in connection with maintenance of way and structures not provided for elsewhere.

ITEMS OF EXPENSE

(See special instructions, section 22.)

Pay and expenses of maintenance of way employees attending conferences with officers in connection with wage disputes.
Fees paid arbitrators in wage disputes with maintenance of way employees.
Payments to maintenance of way employees for time absent on account of sickness, when not compensation for personal injuries.
Gratuities paid to persons for discovering defective rails, etc.

278. MAINTAINING JOINT TRACKS, YARDS, AND OTHER FACILITIES—DR.

This account shall include the carrier's proportion of the costs incurred by others in maintaining joint tracks, yards, terminals, and other facilities.

NOTE.—The purpose of this account is to show the amounts accruing against the carrier for its proportion of the cost of maintaining tracks, yards, and other roadway and structure facilities maintained by others and in the joint use of which the carrier participates. (See special instructions, section 9.)

279. MAINTAINING JOINT TRACKS, YARDS, AND OTHER FACILITIES—CR.

This account shall include amounts chargeable to others as their pro-

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portions of the cost incurred by the carrier in maintaining joint tracks, yards, terminals, and other facilities.

NOTE.—The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the cost of maintaining tracks, yards, and other roadway and structure facilities maintained by the carrier and in the joint use of which others participate. (See special instructions, section 9.)

II. MAINTENANCE OF EQUIPMENT.

The primary accounts included in this general account are designed to show the expenses of maintaining the carrier's equipment and the carrier's expense for the repairs of other equipment used in its operations, also the cost of maintaining the fixed improvements which are classified as shop and power plant machinery, and power substation apparatus. The repair accounts shall include foreign roads' freight charges for transporting the carrier's equipment to shops for repairs and for transporting such equipment to the carrier's line after repairs have been made. No charge shall be made to these accounts for transporting equipment in the carrier's transportation service trains to shops for repairs or from shops after repairs have been made.

The accounts for maintenance of equipment shall be kept in such manner as to show separately, by primary accounts, the expenses directly assignable to sleeping car operations, water-line operations, dining and buffet service, producing power sold, and other miscellaneous operations.

301. SUPERINTENDENCE.

This account shall include:

PAY OF OFFICERS.—The pay of officers directly in charge of or engaged in the maintenance of equipment.

LIST OF OFFICERS.

(See special instructions, section 22.)

Vice president.	Engineer of tests.
Assistant vice president.	Supervisor of car department.
General superintendent of motive power.	Electrical engineer.
Assistant general superintendent of motive power.	Assistant electrical engineer.
Mechanical superintendent.	Chemist and assistant chemist.
Superintendent of motive power.	Master car builder.
Assistant superintendent of motive power.	Master mechanic.
Mechanical engineer.	General foreman.
Assistant mechanical engineer.	Chief car inspector.
Chief chemist.	Inspector of passenger-train cars.
General equipment inspector.	General car inspector.
	Traveling boiler inspector.

PAY OF CLERKS AND ATTENDANTS.—The pay of clerks and other employees in the offices or on business cars of officers whose pay is charged to this account.

LIST OF EMPLOYEES.

(See special instructions, section 22.)

Chief motive power clerks.	Shop clerks.
Chief clerks.	Messengers.
Draftsmen.	Cooks.
Stenographers.	Porters.
Motive power clerks.	

OFFICE AND OTHER EXPENSES.—Office expenses and other expenses of officers and employees whose pay is chargeable to this account, and amounts paid to detective agencies and others for investigations in connection with repairs of equipment.

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ITEMS OF EXPENSE AND SUPPLIES.
(See special instructions, section 22.)

Atlases and maps.	Official train service.
Barometers.	Periodicals and newspapers.
Books for office use.	Power.
Business car service.	Provisions for business cars.
Drafting instruments.	Rent of offices.
Drafting supplies.	Repair of rented offices.
Engineering supplies.	Telegraph service.
Fees and dues in technical associations.	Telephone service.
Furniture repairs and renewals.	Traveling expenses.
Heating.	Water and ice.
Lighting.	

NOTE A.—When employees designated above are engaged on construction or other work not chargeable to Maintenance of Equipment, their pay and expenses while thus employed shall be charged to accounts covering the specific work on which engaged.

NOTE B.—When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants, and their office and other expenses shall be apportioned equally among the departments over which they have jurisdiction.

NOTE C.—The cost of stationery purchased for maintenance of equipment offices is chargeable to account No. 334, "Stationery and printing."

NOTE D.—The pay of general foremen in small shops, who exercise direct supervision over all departments, unassisted by departmental foremen, shall be apportioned through clearing account "Shop expenses."

302. SHOP MACHINERY.

This account shall include the cost of repairing machinery and other apparatus, including special foundations, in shops and enginehouses.

(Note carefully special instructions, sections 2 and 3.)

LIST OF SHOP MACHINERY.
(See special instructions, section 22.)

Air compressors.	Furnaces.	Power machinery, where
Ash conveyors.	Grinding and polishing	no distinct power plant
Belting.	machines.	is provided.
Blowers.	Hoists.	Punches.
Boilers for furnishing power.	Hydraulic jacks.	Riveters.
Boring machines.	Lathes.	Saws.
Cars, small motor.	Lifting magnets.	Shafting.
Cars, push.	Metal chimneys.	Shapers.
Cranes.	Milling machines.	Slotters.
Drill presses.	Motors.	Stationary engines.
Drilling machines.	Pipe cutting and threading	Steam hammers.
Drop tables.	machines.	Vises.
Forges.	Planers.	Welding machines.
Framing machines.	Pneumatic hammers.	Woodworking machines.

NOTE A.—The cost of repairing power plant machinery for shop power when located in distinct buildings shall be included in account No. 304, "Power plant machinery."

NOTE B.—The cost of repairing boilers used exclusively for heating shall be included in the appropriate repair accounts for buildings.

NOTE C.—The cost of small tools which are soon worn out, when used by mechanics on miscellaneous work, shall be included in clearing account "Shop expenses," and when used on repairs of equipment shall be included in the appropriate accounts for repairs of equipment.

NOTE D.—The cost of fixing machinery and tools in shops used exclusively for maintenance of way and structures shall be included in account No. 229, "Roadway buildings."

303. SHOP MACHINERY—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of shop machinery. (See special instructions, section 8.)

304. POWER PLANT MACHINERY.

This account shall include the cost of repairing machinery and other

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apparatus, including special foundations, for generating power in power plants used for the operation of trains and cars and to furnish power, heat, and light for general purposes. It shall also include the cost of repairing machinery and other apparatus for transforming and storing power, when such apparatus is contained in a power plant.

(Note carefully special instructions, sections 2 and 3.)

DETAILS OF POWER PLANT MACHINERY.

(See special instructions, section 22.)

Ammeters.	Engine-room appliances and tools.	Purifiers.
Batteries.	Feed-water heaters.	Rheostats.
Belting.	Furnaces.	Sewer connections.
Boiler-room appliances and tools.	Generators.	Shafting.
Boilers and fittings.	Globes.	Stationary engines.
Boosters.	Hangers.	Steam distribution systems.
Cables.	Heating apparatus.	Steam fittings.
Circuit breakers.	Hofsts.	Switchboards.
Clutches.	Insulators.	Tanks.
Conductors.	Lamps.	Transformers.
Cranes.	Lighting apparatus.	Turbines.
Draft machinery.	Lubricating devices.	Voltmeters.
Dynamos.	Mechanical stokers.	Water meters.
Economizers.	Piping.	Water wheels.
Electric-power distribution systems, interior.	Poles.	Wires from generators or transformers to switchboards.
	Pumps.	

NOTE A.—The cost of repairing power apparatus in shops where no distinct plant is provided shall be included in account No. 302, "Shop machinery."

NOTE B.—The cost of repairing power apparatus in stations and offices used solely for station and office purposes, where no distinct plant is provided, shall be included in account No. 227, "Station and office buildings."

NOTE C.—The cost of repairing power apparatus in plants used solely for operating signals and interlockers shall be included in account No. 249, "Signals and interlockers."

305. POWER PLANT MACHINERY—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of power plant machinery. (See special instructions, section 8.)

306. POWER SUBSTATION APPARATUS.

This account shall include the cost of repairing machinery and other apparatus, including special foundations, for transforming or storing power in power substations used for the operation of trains and cars and for power, heat, and light for general purposes.

(Note carefully special instructions, sections 2 and 3.)

DETAILS OF POWER SUBSTATION APPARATUS.

(See special instructions, section 22.)

Rotary converters.	Switchboards.
Storage batteries.	Transformers.

NOTE.—When machinery and other apparatus for transforming and storing power are located in a power plant the cost of repairs shall be included in account No. 304, "Power plant machinery."

307. POWER SUBSTATION APPARATUS—DEPRECIATION.

This account shall include charges covering the current loss from depreciation of power substation apparatus. (See special instruction, section 8.)

308. STEAM LOCOMOTIVES—REPAIRS.

This account shall include the cost of repairing transportation service steam locomotives and tenders, including all appurtenances, and the cost of small hand tools used in repair work.

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This account shall also include the cost of work-train service for the transportation of locomotives without steam to shops for repairs, including the pay and expenses of caretakers, and the pay and expenses of caretakers of locomotives without steam which are hauled in transportation service trains to shops for repairs; also notarial fees in connection with reports on conditions of locomotives.

(Note carefully special instructions, sections 2 and 3, and general instructions for income, profit & loss, and general balance-sheet accounts, section 2.)

LIST OF APPURTENANCES TO LOCOMOTIVES.

(See special instructions, section 22.)

Air-brake equipment and hose.	Head lamps.
Arm rests.	Packing (except for lubricating).
Awnings.	Pneumatic sanding equipment.
Brake fixtures.	Seat boxes.
Cab cushions.	Speed recorders.
Cab lamps.	Steam-gauge lamps.
Clocks.	Steam-heat equipment and hose.
Coal boards.	Storm doors.
Fire extinguishing apparatus.	Tool boxes.
Gongs.	Train-signal equipment and hose.

NOTE A.—The cost of inspecting smokestacks and ash pans of locomotives in service shall be included in the appropriate enginehouse expense accounts.

NOTE B.—The cost of repairing steam locomotives and tenders of foreign lines, waybilled as freight, and damaged in transit shall be charged to account No. 418, "Loss and damage—Freight"; and the cost of repairing steam locomotives and tenders of foreign lines having trackage rights over the carrier's line, damaged by collision, wreck, or other cause, for which the carrier is liable, shall be charged to account No. 416, "Damage to property."

NOTE C.—The cost of running locomotives under steam to shops for repairs in connection with transportation service shall be included in the cost of the service in connection with which the movement occurs.

NOTE D.—The cost of repairing steam locomotives used solely in work service in connection with operations shall be included in account No. 326, "Work equipment—Repairs." The cost of repairing locomotives on account of construction work shall be included in the cost of the work. (See general instructions for the classification of investment in road and equipment, section 4c.)

309. STEAM LOCOMOTIVES—DEPRECIATION.

This account shall include uniform monthly charges representing the depreciation of steam locomotives. These charges shall be based upon the percentage of the original cost (estimated if not known), ledger value, or purchase price of such equipment determined to be equitable from the carrier's experience and best sources of information as to the average current loss from depreciation. A statement of the percentages used by the carrier for computing these charges, together with the estimated life of the equipment upon which such percentages are based, shall be included in its annual report to the Commission.

Depreciation charges with respect to any locomotive shall cease when the difference between the ledger value and the estimated scrap value shall have been credited to the accrued depreciation account.

(See general instructions for income, profit and loss, and general balance-sheet accounts, section 2.)

NOTE.—All charges to this account for depreciation of the carrier's equipment shall be concurrently credited to balance-sheet account No. 776 "Accrued depreciation—Equipment."

310. STEAM LOCOMOTIVES—RETIREMENTS.

This account shall include amounts necessary to adjust the difference between the ledger value (less salvage) of steam locomotives retired from

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service and the amount of accrued depreciation charged on account of such retired locomotives to the date of their retirement. (See road and equipment account II, Equipment, paragraphs 4 and 5.)

NOTE.—Steam locomotives permanently retired from service, but held pending disposition, shall be written out of service and carried in an appropriate suspense account at an equitable valuation.

311. OTHER LOCOMOTIVES—REPAIRS.

This account shall include the cost of repairs of transportation service locomotives other than steam locomotives, analogous to those set forth for steam locomotives in account No. 308, "Steam locomotives—Repairs."

(Note carefully special instructions, sections 2 and 3.)

312. OTHER LOCOMOTIVES—DEPRECIATION.

This account shall include uniform monthly charges representing the depreciation of other than steam locomotives. These charges shall be based upon the percentage of the original cost (estimated if not known), ledger value, or purchase price of such equipment determined to be equitable from the carrier's experience and best sources of information as to the average current loss from depreciation. A statement of the percentages used by the carrier for computing these charges, together with the estimated life of the equipment upon which such percentages are based, shall be included in its annual report to the Commission.

Depreciation charges with respect to any locomotive shall cease when the difference between the ledger value and the estimated scrap value shall have been credited to the accrued depreciation account.

NOTE.—All charges to this account for depreciation of the carrier's equipment shall be concurrently credited to balance-sheet account No. 776 "Accrued depreciation—Equipment."

313. OTHER LOCOMOTIVES—RETIREMENTS.

This account shall include amounts necessary to adjust the difference between the ledger value (less salvage) of locomotives other than steam locomotives retired from service and the amount of accrued depreciation charged on account of such retired locomotives to the date of their retirement. (See road and equipment account II, Equipment, paragraphs 4 and 5.)

NOTE.—Locomotives permanently retired from service, but held pending disposition, shall be written out of service and carried in an appropriate suspense account at an equitable valuation.

314. FREIGHT-TRAIN CARS—REPAIRS.

This account shall include the cost of repairing freight-train cars and appurtenances, and cost of repairs of the freight car feature of motor cars engaged in transportation service; also cost of small hand tools used in repairs. This account shall also include the net loss sustained on account of the destruction of foreign freight cars in the carrier's transportation service and amounts paid to others for repairs of freight cars for which the carrier is liable.

(Note carefully special instructions, sections 2 and 3, and general instructions for income, profit and loss, and general balance-sheet accounts, section 2.)

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LIST OF FREIGHT-TRAIN CARS.

(See special instructions, section 22.)

Ballast (commercial).	Gondola.	Produce.
Beer.	Gondola (hopper).	Rack.
Box.	Gondola (long).	Refrigerator.
Cabin.	Gun truck.	Stock.
Caboose.	Hay.	Tank (in commercial ser-
Charcoal.	Lime.	vice).
Coal.	Logging.	Water (in commercial ser-
Coke.	Oil tank.	vice).
Dump (commercial).	Ore.	Work (in commercial ser-
Flat.	Platform.	vice).
Fruit.	Poling.	
Furniture.	Poultry.	

LIST OF APPURTENANCES TO FREIGHT-TRAIN CARS.

(See special instructions, section 22.)

Air-brake equipment, in-	Heating equipment.	Train-signal equipment, in-
cluding hose.	Ice boxes.	cluding hose.
Cooking equipment and	Lamps and fixtures.	Water tanks.
utensils.	Seats.	
Cushions.	Speed recorders.	

NOTE A.—The cost of candles, wicks, lamp chimneys, globes, and shades for oil or other lamps in freight-train cars shall be charged to account No. 402, "Train supplies and expenses."

NOTE B.—The cost of repairing freight-train cars of foreign lines waybilled as freight and damaged in transit shall be charged to account No. 418, "Loss and damage—Freight"; and the cost of repairing freight-train cars of foreign lines having trackage rights over the carrier's line, when damaged by collision, wreck, or other cause, for which the carrier is liable, shall be charged to account No. 416, "Damage to property."

315. FREIGHT-TRAIN CARS—DEPRECIATION.

This account shall include uniform monthly charges representing the depreciation of freight-train cars. These charges shall be based upon the percentage of the original cost (estimated if not known), ledger value, or purchase price of such equipment determined to be equitable from the carrier's experience and best sources of information as to the average current loss from depreciation. A statement of the percentages used by the carrier for computing these charges, together with the estimated life of the equipment upon which such percentages are based, shall be included in its annual report to the Commission.

Depreciation charges with respect to any freight-train car shall cease when the difference between the ledger value and the estimated scrap value shall have been credited to the accrued depreciation account.

(See general instructions for income, profit and loss, and general balance-sheet accounts, section 2.)

NOTE.—All charges to this account for depreciation of the carrier's equipment shall be concurrently credited to balance-sheet account No. 776, "Accrued depreciation—Equipment."

316. FREIGHT-TRAIN CARS—RETIREMENTS.

This account shall include amounts necessary to adjust the difference between the ledger value (less salvage) of freight-train cars retired from service and the amount of accrued depreciation charged on account of such retired cars, to the date of their retirement. (See road and equipment account II, Equipment, paragraphs 4 and 5.)

NOTE.—Freight-train cars permanently retired from service, but held pending disposition, shall be written out of service, and carried in an appropriate suspense account at an equitable valuation.

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317. PASSENGER-TRAIN CARS—REPAIRS.

This account shall include the cost of repairing passenger-train cars and appurtenances and passenger car features of motor cars used in transportation service; small hand tools used in repairs; the net loss sustained on account of the destruction of foreign passenger-train cars in the carrier's transportation service, and amounts paid others for repairs of passenger-train cars for which the carrier is liable.

(Note carefully special instructions, sections 2 and 3, and general instructions for income, profit and loss, and general balance-sheet accounts, section 2.)

LIST OF PASSENGER-TRAIN CARS.

(See special instructions, section 22.)

Baggage.	Combination passenger and	Passenger-baggage-mail.
Baggage-express.	baggage.	Postal.
Baggage-mail.	Dining.	Parlor.
Baggage-mail-express	Express.	Parlor-baggage.
Buffet.	Immigrant.	Passenger.
Cafe.	Library.	Passenger-baggage.
Chair.	Mail.	Refrigerator-express.
Club.	Milk.	Sleeping.
Colonist.	Observation.	Smoking.
		Tourist.

LIST OF APPURTENANCES TO PASSENGER-TRAIN CARS.

(See special instructions, section 22.)

Air-brake equipment, including hose.	Ice boxes.	Table china.
Bedding.	Ice tanks.	Table glassware.
Chairs.	Kitchen equipment and utensils.	Table linen.
Coat hooks.	Lighting equipment.	Table silver.
Curtains and fixtures.	Mail catchers.	Toilet equipment.
Cushions.	Parcel racks.	Train-signal equipment, including hose.
Electric bells.	Ranges and boilers.	Water tanks.
Floor coverings.	Seats.	
Heating equipment and steam-heat hose.	Speed recorders.	
	Steam heat hose.	

NOTE A.—The cost of candles, wicks, and lamp chimneys, and of globes and shades for electric and other lights in passenger-train cars shall be charged to account No. 402, "Train supplies and expenses."

NOTE B.—The cost of repairing passenger-train cars of foreign lines, which are waybilled as freight and have been damaged in transit, shall be charged to account No. 418, "Loss and damage—Freight," and the cost of repairing passenger-train cars of foreign lines having trackage rights over the carrier's line, when damaged by collision, wreck, or otherwise, for which the carrier is liable, shall be charged to account No. 416, "Damage to property."

318. PASSENGER-TRAIN CARS—DEPRECIATION.

This account shall include uniform monthly charges representing the depreciation of passenger-train cars. These charges shall be based upon the percentage of the original cost (estimated if not known), ledger value, or purchase price of such equipment determined to be equitable from the carrier's experience and best sources of information as to the average current loss from depreciation. A statement of the percentages used by the carrier for computing these charges, together with the estimated life of the equipment upon which such percentages are based, shall be included in its annual report to the Commission.

Depreciation charges with respect to any passenger-train car shall cease when the difference between the ledger value and the estimated scrap value shall have been credited to the accrued depreciation account.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

(See general instructions for income, profit and loss, and general balance-sheet accounts, section 2.)

NOTE.—All charges to this account for depreciation of the carrier's equipment shall be concurrently credited to balance-sheet account No. 776, "Accrued depreciation—Equipment."

319. PASSENGER-TRAIN CARS—RETIREMENTS.

This account shall include amounts necessary to adjust the difference between the ledger value (less salvage) of passenger-train cars retired from service and the amount of accrued depreciation charged on account of such retired cars to the date of their retirement. (See road and equipment account II, Equipment, paragraphs 4 and 5.)

NOTE.—Passenger-train cars permanently retired from service, but held pending disposition, shall be written out of service, and carried in an appropriate suspense account at an equitable valuation.

320. MOTOR EQUIPMENT OF CARS—REPAIRS.

This account shall include the cost of repairing motor equipment affixed to cars; also cost of small hand tools used in repairs. The cars to which this account has reference are distinct from independent locomotives used for the propulsion of trains.

(Note carefully special instructions, sections 2 and 3.)

ITEMS OF MOTOR EQUIPMENT.

(See special instructions, section 22.)

Batteries, storage.	Generators.	Switches.
Circuit breakers.	Lightning arresters.	Third-rail contact.
Controllers.	Motors.	Trolley poles.
Engines, internal-combustion.	Overload switches.	Trolleys.
	Rheostats.	

321. MOTOR EQUIPMENT OF CARS—DEPRECIATION.

This account shall include uniform monthly charges representing the depreciation of the motor equipment of cars. These charges shall be based upon the percentage of the original cost (estimated if not known), ledger value, or purchase price of such equipment determined to be equitable from the carrier's experience and best sources of information as to the average current loss from depreciation. A statement of the percentages used by the carrier for computing these charges, together with the estimated life of the equipment upon which such percentages are based, shall be included in its annual report to the Commission.

Depreciation charges with respect to the motor equipment of cars shall cease when the difference between the ledger value and the estimated scrap value shall have been credited to the accrued depreciation account.

NOTE.—All charges to this account for depreciation of the carrier's equipment shall be concurrently credited to balance-sheet account No. 776, "Accrued depreciation—Equipment."

322. MOTOR EQUIPMENT OF CARS—RETIREMENTS.

This account shall include amounts necessary to adjust the difference between the ledger value (less salvage) of motor equipment of cars retired from service, and the amount of accrued depreciation charged on such retired equipment to the date of its retirement. (See road and equipment account II, Equipment, paragraphs 4 and 5.)

NOTE.—The motor equipment of cars permanently retired from service but held pending disposition shall be written out of service and carried in an appropriate suspense account at an equitable valuation.

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323. FLOATING EQUIPMENT—REPAIRS.

This account shall include the cost of repairing floating equipment (other than work equipment), including appurtenances, and cost of small hand tools used in repairs.

The pay and expenses of captains and engineers and of boat employees, while engaged on maintenance of floating equipment, shall be included in this account. (Note carefully special instructions, sections 2 and 3.)

LIST OF FLOATING EQUIPMENT.

(See special instructions, section 22.)

Barges.	Lighters.	Steamboats.
Canal boats.	Power launches.	Steamships.
Car and other floats.	Power lighters.	Transfer boats.
Ferryboats.	Scows.	Tugboats.

LIST OF APPURTENANCES, TOOL EQUIPMENT, AND FURNITURE.

(See special instructions, section 22.)

Anchors.	Floor coverings.	Pumps.
Axes.	Flue cleaners.	Racks.
Barometers.	Furniture.	Railings.
Beds and bedding.	Gangplanks.	Rakes.
Binnacle lamps.	Hatchets.	Rigging.
Blocks and tackle.	Heating equipment.	Safes.
Boilers and foundations.	Hoisting equipment.	Sails.
Cables.	Hooks.	Scales.
Capstan bars.	Keys.	Seats, chairs, and cushions.
Carpets.	Kitchen equipment.	Shovels.
Charts.	Life preservers.	Shoveles.
China, crockery, and glass-ware.	Lighting equipment.	Slice bars and pokers.
Chronometers.	Linen.	Spyglasses.
Clocks.	Lines.	Steam distribution systems.
Compasses.	Logs.	Steering equipment.
Counters.	Machinery and foundations.	Telescopes.
Desks.	Masts.	Ticket cases.
Engines and foundations.	Office furniture.	Tool boxes.
Fire buckets.	Oil cans.	Tools, miscellaneous.
Fire extinguishers.	Pianos and other musical instruments.	Tracks on car floats.
		Ventilating equipment.
		Wrenches.

NOTE A.—When the compensation for the use of floating equipment includes rent, maintenance, and operation, the portion covering rent shall be included in income account No. 539, "Rent for floating equipment," the portion covering repairs shall be included in this account, the portion covering depreciation shall be included in account No. 324, "Floating equipment—Depreciation," and the portion covering operation shall be included in account No. 408, "Operating floating equipment," or in the primary accounts in general account V, transportation—Water Line, as may be appropriate.

NOTE B.—The cost of repairs resulting from casualties shall be charged to the casualty accounts when covered by insurance and to insurance reserves to the extent of the accruals therein when such reserves have been provided for the damage to property. Any part of such cost not recoverable from underwriters or chargeable to insurance reserves shall be charged to the repair account.

324. FLOATING EQUIPMENT—DEPRECIATION.

This account shall include uniform monthly charges representing the depreciation of floating equipment other than work equipment. These charges shall be based upon the percentage of the original cost (estimated if not known), ledger value, or purchase price of such equipment determined to be equitable from the carrier's experience and best sources of information as to the average current loss from depreciation. A statement of the percentages used by the carrier for computing these charges, together with the estimated life of the equipment upon which such percentages are based, shall be included in its annual report to the Commission.

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Depreciation charges with respect to any floating equipment shall cease when the difference between the ledger value and the estimated scrap value shall have been credited to the accrued depreciation account.

NOTE A.—All charges to this account for depreciation of the carrier's equipment shall be concurrently credited to balance-sheet account No. 776, "Accrued depreciation—Equipment."

NOTE B.—When the compensation for the use of floating equipment includes rent, maintenance, and operation, the portion covering rent shall be included in income account No. 539, "Rent for floating equipment," the portion covering repairs shall be included in account No. 323, "Floating equipment—Repairs," the portion covering depreciation shall be included in this account, and the portion covering operation shall be included in account No. 408, "Operating floating equipment," or in the primary accounts in general account V, Transportation—Water Line, as may be appropriate.

325. FLOATING EQUIPMENT—RETIREMENTS.

This account shall include amounts necessary to adjust the difference between the ledger value (less salvage) of floating equipment, other than work equipment, retired from service and the amount of accrued depreciation charged on account of such retired equipment to the date of its retirement. (See road and equipment account II, Equipment, paragraphs 4 and 5.)

NOTE.—When floating equipment is permanently retired from service but held pending disposition, it shall be written out of service and carried in an appropriate suspense account at an equitable valuation.

326. WORK EQUIPMENT—REPAIRS.

This account shall include the cost of repairing rail and floating work equipment, including appurtenances, and cost of small hand tools used in repairs.

The cost of fitting up commercial cars for work service in connection with maintenance and operation; the cost of refitting them for commercial service; the cost of repairs to locomotives while in service for repairs of road and equipment; and the cost of repairs to foreign cars damaged while in such service shall be included in this account; also amounts paid in settlement for such cars destroyed in such service.

(Note carefully special instructions, sections 2 and 3, and general instructions for income, profit and loss, and general balance-sheet accounts, section 2.)

LIST OF WORK EQUIPMENT—RAIL.

(See special instructions, section 22.)

Air-brake instruction cars.	Gravel cars.	Snow dozers.
Ballast cars.	Indicator cars.	Snow drags.
Ballast unloader cars.	Locomotive tanks used as	Snow plows (not attached
Boarding cars.	water cars.	to but moved by loco-
Bridge cars.	Locomotives.	motives).
Business cars.	Officer's cars.	Sprinkling cars.
Camp cars.	Outfit cars.	Steam shovels.
Cinder cars.	Painters' cars.	Steam wrecking derricks.
Concrete mixers (mounted).	Pay cars.	Supply cars.
Derrick cars.	Pile drivers (mounted).	Sweeper cars.
Dirt spreaders (mounted).	Rail saws (mounted).	Tool and block cars.
Ditching cars.	Salt cars.	Tool cars.
Dump cars.	Sanding cars.	Water cars.
Dynamometer cars.	Scale test cars.	Weed burners (mounted).
Gas-tank cars.	Scraper cars.	Wrecking cars.
Grading cars.		

APPURTENANCES TO WORK EQUIPMENT—RAIL.

(See special instructions, section 22.)

Air-brake equipment.	Blocks and tackle.	Chains.
Beds and bedding.	Boilers on cars.	China, crockery, and glass-
Blocking.	Bunks, seats, and chairs.	ware.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

Cushions.	Lighting equipment.	Slice bars and pokers.
Engines on cars. .	Linen.	Tool boxes.
Flue cleaners.	Lines.	Tools, miscellaneous.
Hatchets.	Machinery on cars.	Train-signal equipment.
Heating equipment.	Oil cans.	Wrecking trucks.
Hooks.	Rakes.	Wrenches.
Jacks.	Ranges.	
Kitchen utensils.	Shovels.	

LIST OF WORK EQUIPMENT—FLOATING.

(See special instructions, section 22.)

Derricks.	Dredges.	Pile drivers.
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APPURTENANCES TO WORK EQUIPMENT—FLOATING.

(See special instructions, section 22.)

Anchors.	Fire buckets.	Masts.
Axes.	Floor coverings.	Oil cans.
Barometers.	Flue cleaners.	Pumps.
Beds and bedding.	Gangplanks.	Rakes.
Blocks and tackle.	Hatchets.	Rigging.
Boilers and foundations.	Heating equipment.	Sails.
Cables.	Hoisting equipment.	Seats and chairs.
China, crockery, and glass-ware.	Hooks.	Shovels.
Compasses.	Keys.	Slice bars and pokers.
Cushions.	Life preservers.	Steam distribution systems.
Desks.	Lighting equipment.	Steering equipment.
Engines and foundations.	Linen.	Tool boxes.
Fire extinguishers.	Lines.	Tools, miscellaneous.
	Machinery and foundations.	Wrenches.

NOTE.—The cost of repairs to work equipment on account of construction work shall be included in the cost of the construction work on which it is used. (See general instructions for the classification of investment in road and equipment, section 4c.)

7. WORK EQUIPMENT—DEPRECIATION.

This account shall include uniform monthly charges representing the depreciation of work equipment. These charges shall be based upon the percentage of the original cost (estimated if not known), ledger value, or purchase price of such equipment, determined to be equitable from the carrier's experience and best sources of information as to the average current loss from depreciation. A statement of the percentages used by the carrier for computing these charges, together with the estimated life of the equipment upon which such percentages are based, shall be included in its annual report to the Commission.

Depreciation charges with respect to any work equipment shall cease when the difference between the ledger value and the estimated scrap value shall have been credited to the accrued depreciation account.

(See general instructions for income, profit and loss, and general balance-sheet accounts, section 2.)

NOTE.—All charges to this account for depreciation of the carrier's equipment shall be concurrently credited to balance-sheet account No. 776, "Accrued depreciation—Equipment."

8. WORK EQUIPMENT—RETIREMENTS.

This account shall include amounts necessary to adjust the difference between the ledger value (less salvage) of work equipment retired from service and the amount of accrued depreciation charged on account of such retired equipment to the date of its retirement. (See road and equipment account II, Equipment, paragraphs 4 and 5.)

NOTE.—When work equipment is permanently retired from service, but held pending disposition, it shall be written out of service and carried in an appropriate suspense account at an equitable valuation.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

329. MISCELLANEOUS EQUIPMENT—REPAIRS.

This account shall include the cost of repairing miscellaneous equipment, such as wagons, automobiles, and other highway vehicles, and harness.

(Note carefully special instructions, sections 2 and 3.)

330. MISCELLANEOUS EQUIPMENT—DEPRECIATION.

This account shall include uniform monthly charges representing the depreciation of miscellaneous equipment. These charges shall be based upon the percentage of the original cost (estimated if not known) ledger value, or purchase price of such equipment, determined to be equitable from the carrier's experience and best sources of information as to the average current loss from depreciation. A statement of the bases used by the carrier for computing these charges shall be included in its annual report to the Commission.

NOTE.—All charges to this account for depreciation of the carrier's equipment shall be concurrently credited to balance-sheet account No. 776, "Accrued depreciation—Equipment."

331. MISCELLANEOUS EQUIPMENT—RETIREMENTS.

This account shall include amounts necessary to adjust the difference between the ledger value (less salvage) of miscellaneous equipment, including horses, retired from service and the amount of accrued depreciation charged on account of such retired equipment to the date of its retirement. (See road and equipment account II, Equipment, paragraphs 4 and 5.)

NOTE.—Miscellaneous equipment permanently retired from service, but held pending disposition, shall be written out of service and carried in an appropriate suspense account at an equitable valuation.

332. INJURIES TO PERSONS.

This account shall include expenses on account of injuries to persons which occur directly in connection with repairs of equipment.

Services of employees and others called in consultation in relation to claim adjustments, pay and expenses of employees while engaged as witnesses at inquests and lawsuits, and a suitable proportion of donations made to hospitals shall be included in this account.

ITEMS OF EXPENSE

(See special instructions, section 22.)

Artificial limbs.	Medical and surgical services.
Carriage fees.	Medical and surgical supplies.
Claim adjusters' and clerks' services.	Notarial fees.
Claim adjusters' office expenses.	Nursing.
Compensation for injuries or death.	Railway transportation.
Final judgments, including plaintiffs' court costs.	Undertakers' services.
Funeral expenses.	Undertakers' supplies.
Hospital attendance.	Witnesses' fees and expenses at inquests and lawsuits.

NOTE A.—Expenses incident to personal injury suits, not otherwise provided for, shall be included in account No. 454, "Law expenses."

NOTE B.—Amounts donated by a carrier to hospitals shall be distributed, 25 per cent to account No. 274, "Injuries to persons"; 25 per cent to account No. 332, "Injuries to persons"; and 50 per cent to account No. 420, "Injuries to persons."

NOTE C.—The pay, office rent, and office and other expenses of claim adjusters, claim clerks, and others in charge of or engaged in connection with claim cases, when not assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

333. INSURANCE.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss, through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to Maintenance of Equipment; also premiums on fidelity bonds of employees whose pay is chargeable to Maintenance of Equipment. (See special instructions, section 18.)

NOTE.—The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to the property reinsured by them.

334. STATIONERY AND PRINTING.

This account shall include the cost of stationery and printing used in connection with maintenance of equipment.

STATIONERY AND PRINTING ITEMS.

(See special instructions, section 22.)

Adding machines.	Hectographs.	Phonographs and records.
Addressographs and supplies.	Indexes.	Pins.
Arm rests.	Ink for writing and drawing.	Postage.
Binders.	Inkstands.	Punches (not conductors' or baggagemen's).
Blank books.	Invoice books.	Rubber bands.
Blotters.	Legal cap paper.	Rubber stamps.
Blotting paper.	Letter paper.	Rulers.
Bristol board.	Manifold paper.	Ruling pens.
Calculating machines.	Manifold pens.	Scrapbooks.
Calendars.	Mimeographs.	Sealing wax.
Carbon paper.	Mucilage.	Seals.
Cardboard.	Mucilage brushes.	Shears.
Cards, blank and printed.	Neostyles.	Shipping tags.
Circulars.	Note paper.	Shorthand notebooks.
Computing tables.	Notices.	Sponge cups.
Copy (impression) books.	Numbering stamps.	Sponges.
Copying brushes.	Oil paper.	Stamps, impression.
Copying presses.	Paper.	Stylographs.
Crayons.	Paper baskets.	Tablets, blank and printed.
Cyclostyles.	Paper clips.	Tap.
Dating stamps and ribbons.	Paper cutters.	Telegraph blanks.
Dictaphones.	Paper fasteners.	Tissue (impression) paper.
Dictographs.	Paper files.	Tracing cloth.
Drawing paper.	Paper weights.	Tracing paper.
Duplicators.	Papyrographs.	Twine.
Electric pens.	Parchment paper.	Typewriters and ribbons.
Envelopes.	Pencil sharpeners.	Wage tables.
Erasers, rubber and steel.	Pencils for writing and drawing.	Wastebaskets.
Eyelet punches.	Penholders.	Water colors.
Eyelets.	Penracks.	Water holders.
File boxes, paper.	Pens for writing and drawing.	Wrapping paper.
Forms, blank and printed.		Wringers for copying presses.
Glass pens.		

NOTE.—The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

335. OTHER EXPENSES.

This account shall include expenses in connection with the maintenance of equipment not properly chargeable to other accounts for maintenance of equipment or to clearing accounts such as "Material store expenses" and "Shop expenses."

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

ITEMS OF EXPENSE.

(See special instructions, section 22.)

Pay and expenses of mechanical department employees attending conferences with officers in connection with mechanical department wage disputes.
 Fees paid arbitrators in connection with mechanical department wage disputes.
 Payments to mechanical department employees for time absent on account of sickness when not in compensation for personal injuries.

336. MAINTAINING JOINT EQUIPMENT AT TERMINALS—Dr.

This account shall include the carrier's proportion of expenses incurred by others in maintaining equipment used for the operation of joint terminals, including the carrier's proportion of expenses of repairing equipment made necessary by accidents in terminals, when such expenses are participated in by more than one party using the joint terminals.

NOTE.—The purpose of this account is to show the amount accruing against the carrier for its proportion of the expense of maintaining equipment at terminals which is maintained by others and in the joint use of which the carrier participates.

337. MAINTAINING JOINT EQUIPMENT AT TERMINALS—Cr.

This account shall include amounts chargeable to others as their proportions of expenses incurred by the carrier in maintaining equipment used for the operation of joint terminals, and for expenses of repairing equipment made necessary by accidents in terminals, when such expenses are participated in by more than one party using the joint terminals.

NOTE.—The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportion of the expense of maintaining equipment at terminals which is maintained by the carrier and in the joint use of which others participate.

III. TRAFFIC.

The primary accounts included in this general account are designed to show the expenses incurred for advertising, soliciting, and securing traffic for the carrier's lines and for preparing and distributing tariffs governing such traffic.

The accounts for traffic expenses shall be kept in such manner as to show separately, by primary accounts, the expenses directly assignable to water-line operations.

351. SUPERINTENDENCE.

This account shall include:

PAY OF OFFICERS.—The pay of officers directly in charge of or engaged in supervising the procurement of traffic, and the preparation and distribution of tariffs, division sheets, and classifications.

LIST OF OFFICERS.

(See special instructions, section 22.)

Vice president.	General passenger agent.
Assistant to vice president.	Assistant general passenger agent.
Traffic director.	Division passenger agent.
Traffic manager.	Division freight agent.
General freight agent.	General baggage agent.
Assistant general freight agent.	General express agent.
Chief of tariff bureau.	General express manager.
Traveling tariff inspector.	Coal traffic agent.
Live stock agent.	

PAY OF CLERKS AND ATTENDANTS.—The pay of clerks and other employees in the offices and on business cars of officers whose pay is chargeable to this account.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

LIST OF EMPLOYEES.

(See special instructions, section 22.)

Chief clerk.	Stenographers.	Porters.
Clerks.	Messengers.	Attendants.
File clerks.	Cooks.	

OFFICE AND OTHER EXPENSES.—Office expenses and other expenses of officers and employees whose pay is chargeable to this account.

ITEMS OF EXPENSE AND SUPPLIES.

(See special instructions, section 22.)

Atlases and maps.	Furniture repairs and re-	Rent of offices.
Barometers.	newals.	Repairs of rented offices.
Bicycles.	Heating.	Telegraph service.
Books for office use.	Lighting.	Telephone service.
Business car service.	Official train service.	Traveling expenses.
Express charges.	Periodicals and newspapers.	Water and ice.
Fees and dues in commercial and other clubs.	Power.	
	Provisions for business cars.	

NOTE A.—When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants, and their office and other expenses shall be apportioned equally among the departments over which they have jurisdiction.

NOTE B.—The pay and expenses of officers engaged exclusively in soliciting traffic are chargeable to account No. 352, "Outside agencies."

NOTE C.—The cost of stationery for traffic offices is chargeable to account No. 358, "Stationery and printing," except stationery chargeable to accounts Nos. 354, 355, and 356.

352. OUTSIDE AGENCIES.

This account shall include the pay, and the office, traveling, and other expenses of general, commercial, city, and district agents and others soliciting traffic, the employees of their offices, and traveling agents and solicitors located on or off the line of the carrier's road.

City ticket and freight offices, separate from regular station ticket and freight offices, shall be treated as outside agencies; the pay and expenses of the employees therein and the expenses of such offices shall be charged to this account.

Commissions for services pertaining to either freight or passenger business, except commissions paid in lieu of salaries to carrier's agents located upon the carrier's own line (which shall be charged to account No. 373, "Station employees"), shall be included in this account.

ITEMS OF EXPENSE.

(See special instructions, section 22.)

Bicycles.	Office supplies.
Books for office use.	Periodicals and newspapers.
Express charges.	Rent of offices.
Furniture repairs and renewals.	Repairs of rented offices.
Heating.	Telegraph service.
Lighting.	Telephone service.
Membership fees and dues in agency associations.	Traveling expenses.
Membership fees and dues in commercial clubs.	Water and ice.

353. ADVERTISING.

This account shall include the cost of advertising for the purpose of securing traffic; pay of advertising agents, their clerks and attendants; rent of offices, and the office, traveling, and other expenses of such employees; also

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

donations to carnivals, local development associations, summer schools, and other gatherings, when made for the purpose of increasing traffic.

ITEMS OF ADVERTISING EXPENSE.

(See special instructions, section 22.)

Advertisements in newspapers.	Handbills.
Advertisements in periodicals.	Maps used for advertising.
Bulletin boards and cards.	Pamphlets.
Card cases.	Photographs and views.
Customs charges on advertising matter.	Postage.
Display and other advertising cards.	Posters.
Distributing folders.	Publishing advertising matter.
Distributing general notices to shippers.	Publishing folders.
Distributing time-tables.	Publishing notices to shippers.
Dodgers.	Publishing time-tables.
Express charges.	Racks.
Frames.	

NOTE.—Advertising expenses of industrial and immigration bureaus shall be included in account No. 356, "Industrial and immigration bureaus."

354. TRAFFIC ASSOCIATIONS.

This account shall include the cost to the carrier of participation in traffic associations, including its proportion of the pay of officers and employees of such associations and of their office, stationery and printing, traveling, and other expenses.

LIST OF TRAFFIC ASSOCIATIONS.

(See special instructions, section 22.)

Boards of trade.	Commercial associations.	Passenger associations.
Classification bureaus.	Freight associations.	Tariff bureaus.
Clergy bureaus.	Mileage ticket bureaus.	Ticket validating agencies.

355. FAST FREIGHT LINES.

This account shall include the cost to the carrier of participation in fast freight or dispatch organizations, including its proportion of the pay of officers, soliciting agents, and employees of such organizations, and their office, stationery and printing, traveling, and other expenses.

356. INDUSTRIAL AND IMMIGRATION BUREAUS.

This account shall include the cost to the carrier of industrial and immigration bureaus, including the pay of industrial and immigration agents, and exhibit agents, their clerks and attendants and their office, stationery and printing, traveling, and other expenses.

ITEMS OF EXPENSE.

(See special instructions, section 22.)

Advertising.	Donations to fairs.	Good roads trains.
Agricultural trains.	Donations to stock shows.	Premiums to fairs.
Dairy trains.	Exhibits.	Premiums to stock shows.
Donations to expositions.	Experimental farms.	

357. INSURANCE.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to Traffic; also premiums on fidelity bonds of employees whose pay is chargeable to Traffic. (See special instructions, section 2.)

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

NOTE.—The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account the amount of all claims for injuries to persons and damages to the property covered by its insurance shall be charged. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to the property reinsured by them.

358. STATIONERY AND PRINTING.

This account shall include the cost of stationery and printing used in connection with securing traffic, including the cost of tariffs governing such:

STATIONERY AND PRINTING ITEMS. (See special instructions, section 22.)

Adding machines.	Glass pens.	Phonographs and records.
Arm rests.	Hectographs.	Pins.
Binders.	Indexes.	Postage.
Blank books.	Ink for writing and drawing.	Punches (not conductors' or baggagemen's).
Blotters.	Inkstands.	Rate sheets.
Blotting paper.	Invoice books.	Rubber bands.
Bristol board.	Legal cap paper.	Rubber stamps.
Calculating machines.	Letter paper.	Rulers.
Calendars.	Manifold paper.	Ruling pens.
Carbon paper.	Manifold pens.	Scrapbooks.
Cardboard.	Mimeographs.	Sealing wax.
Cards, blank and printed.	Mucilage.	Seals.
Circulars.	Mucilage brushes.	Shears.
Classifications.	Neostyles.	Shipping tags.
Computing tables.	Note paper.	Shorthand notebooks.
Copy (impression) books.	Notices.	Sponge cups.
Copying brushes.	Numbering stamps.	Sponges.
Copying presses.	Oil paper.	Stamps, impression.
Crayons.	Paper.	Stylographs.
Cyclostyles.	Paper baskets.	Tablets, blank and printed.
Dating stamps and ribbons.	Paper clips.	Tape.
Dictaphones.	Paper cutters.	Tariffs, printed.
Dictographs.	Paper fasteners.	Telegraph blanks.
Division sheets.	Paper files.	Tissue (impression) paper.
Duplicators.	Paper weights.	Typewriters and ribbons.
Electric pens.	Papyrographs.	Wage tables.
Envelopes.	Pencil sharpeners.	Wastebaskets.
Erasers, rubber and steel.	Pencils for writing and drawing.	Water colors.
Eyelet punches.	Penholders.	Water holders.
Eyelets.	Penracks.	Wrapping paper.
File boxes, paper.	Pens for writing and drawing.	Wringers for copying presses.
Flexotype machines.		
Forms, blank and printed.		
Freight classifications.		

NOTE A.—The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

NOTE B.—The cost of stationery and printing used by traffic associations, fast freight lines, and industrial and immigration bureaus shall be included in the accounts provided for the expenses of such organizations.

359. OTHER EXPENSES.

This account shall include all expenses in connection with traffic not properly chargeable to other traffic accounts.

IV. TRANSPORTATION—RAIL LINE.

The primary accounts included in this general account are designed to show expenses incurred for transporting persons and the property of others, including the expenses of station, train, yard, and terminal service; also the expense of transporting company material in transportation service trains.

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371. SUPERINTENDENCE.

This account shall include:

PAY OF OFFICERS.—The pay of officers directly in charge of or engaged in conducting transportation.

LIST OF OFFICERS.

(See special instructions, section 22.)

Vice president.	Members of examining boards.
Assistant to the vice president.	Superintendent of mail service.
General manager.	Traveling train and station inspectors.
Assistant general manager.	Air-brake instructor.
General superintendent of transportation.	Superintendent of agencies.
Superintendent of transportation.	Superintendent of transfer stations.
General superintendent.	Trainmaster.
Assistant general superintendent.	Assistant trainmaster.
Superintendent.	General road foreman of locomotives.
Division superintendent.	Road foreman of locomotives.
Assistant division superintendent.	Traveling locomotive engineer.
Superintendent of car service.	Traveling locomotive fireman.
Chief special agent.	

PAY OF CLERKS AND ATTENDANTS.—The pay of clerks and others employed in the offices and on business cars of officers whose pay is chargeable to this account.

LIST OF EMPLOYEES.

(See special instructions, section 22.)

Division clerk.	Special agents.	Messengers.
Chief clerk.	Detectives.	Cooks.
Clerks.	Stenographers.	Porters.

OFFICE AND OTHER EXPENSES.—Office expenses and other expenses of officers and employees whose pay is chargeable to this account; also the pay and expenses of employees attending investigations concerning the cause of or responsibility for accidents, and amounts paid detective agencies and others for work in connection with such investigations.

ITEMS OF EXPENSE AND SUPPLIES.

(See special instructions, section 22.)

Atlases and maps.	Periodicals and newspapers.
Barometers.	Power.
Books for office use.	Provisions for business cars.
Business car service.	Rent of air-brake instruction cars.
Express charges.	Rent of offices.
Fees and dues in associations.	Repairs of rented offices.
Furniture repairs and renewals.	Telegraph service.
Heating.	Telephone service.
Lighting.	Traveling expenses.
Official train service.	Water and ice.

NOTE A.—When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants, and their office and other expenses shall be apportioned equally among the departments over which they have jurisdiction.

NOTE B.—The cost of stationery purchased for transportation offices is chargeable to account No. 410, "Stationery and printing."

372. DISPATCHING TRAINS.

This account shall include the pay of chief and other train dispatchers, their clerks, copying operators, and attendants, and pay of operators on the line whose duties are confined to directing train movements; also the office, traveling, and other expenses of such employees.

NOTE.—Pay of operators who also perform station work shall be charged to account No. 373, "Station employees."

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

373. STATION EMPLOYEES.

This account shall include:

AGENTS, CLERKS, AND ATTENDANTS.—The pay of agents, clerks, and attendants in charge of, or engaged in, the operation of stations, wharves, and piers located on the carrier's line; also payments to such station or ticket agents in lieu of salaries.

Special payments to customs inspectors on account of opening and resealing cars under unusual conditions, and payments to produce-exchange inspectors for inspecting, measuring, and weighing grain shall be here included.

LIST OF EMPLOYEES.

(See special instructions, section 22.)

Accountants.	Express agents.	Station foremen.
Assistant agents.	Gatemen.	Station passenger agents.
Assistant depot masters.	Information bureau employees.	Station freight agents.
Assistant stationmasters.	Janitors.	Stationmasters.
Baggage agents at stations.	Maids.	Telegraph and telephone operators.
Baggagemen.	Matrons.	Ticket agents.
Car clerks.	Messengers.	Ticket collectors.
Cashiers.	Package and parcel room employees.	Ticket examiners.
Chauffeurs.	Policemen.	Train callers.
Clerks.	Porters.	Ushers.
Collectors.	Relief agents.	Watchmen.
Customs inspectors.	Station agents.	
Depot masters.		
Detectives.		

LABOR AT STATIONS.—Station and other labor expended in handling freight, mail, baggage, and express at stations, wharves, and piers; in loading, unloading, feeding, and watering stock; in disinfecting stations, stockyards, and stock pens; in transferring, picking up, straightening, and reloading freight in the ordinary course of transportation; in miscellaneous station work, including (when done by station employees) cleaning station grounds, station platforms, walks, stockyards, and stock pens, and removing snow and ice therefrom; and in tending switch lamps not in yards and terminals.

Payments to elevator companies (when not made as division of rate) for transferring grain en route, and payments to other companies and individuals for loading and unloading commercial freight under contract or otherwise shall be included in this account.

LIST OF EMPLOYEES.

(See special instructions, section 22.)

Baggage storeroom employees.	Freight handlers.	Stationary firemen.
Car sealers.	Freight house foremen.	Stevedores.
Checkmen.	Freight loaders.	Stock-pen laborers.
Coal handlers.	Freight unloaders.	Tallymen.
Coopers.	Longshoremen.	Teamsters.
Delivery men.	Mail carriers.	Truckmen.
Electricians.	Mail weighers.	Warehousemen.
Freight callers.	Station cleaners.	Weighmasters.
	Stationary engineers.	

NOTE A.—The cost of transferring freight, mail, baggage, and express on account of wrecks shall be included in account No. 415, "Clearing wrecks."

NOTE B.—This account shall not include the pay of telegraph and telephone operators provided for under accounts No. 372, "Dispatching trains," and No. 407, "Telegraph and telephone operation," or pay of employees provided for under account No. 375, "Coal and ore wharves."

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

374. WEIGHING, INSPECTION, AND DEMURRAGE BUREAUS.

This account shall include the cost to the carrier of its participation in joint weighing, inspection, demurrage, and car distribution bureaus and associations.

375. COAL AND ORE WHARVES.

This account shall include the cost of operating docks, and wharves, piers, and other marine, lake, or river landings, and the machinery located thereon, used in connection with the transportation of coal and ore.

LABOR AND EXPENSES.—The pay and the office, traveling, and other expenses of employees engaged in operating coal and ore wharves.

TOOLS AND SUPPLIES.—The cost of all tools and supplies used in the operation of coal and ore wharves.

ITEMS OF TOOLS AND SUPPLIES.

(See special instructions, section 22.)

Cylinder oil.	Lanterns.	Slice bars.
Fuel for stationary boilers.	Lubricating oil.	Waste.
Illuminating oil.	Picks.	Wicks.
Lantern parts.	Shovels.	

NOTE.—The cost of switching service in connection with coal and ore wharves shall not be included in this account.

376. STATION SUPPLIES AND EXPENSES.

This account shall include:

HEATING.—The cost of fuel (including cost of unloading), water, steam, and miscellaneous supplies used for heating stations, waiting rooms, freight and passenger offices, and other station buildings.

LIGHTING.—The cost of fuel, water, gas, oil, electricity, lamp globes, lamp chimneys, wicks, lamp carbons, incandescent lamps, and miscellaneous supplies used in lighting stations, waiting rooms, freight and passenger offices, other station buildings, street approaches thereto, and passenger footbridges and subways at stations.

OTHER EXPENSES.—The cost of miscellaneous station supplies and station expenses.

ITEMS OF EXPENSE.

(See special instructions, section 22.)

Cleaning privy vaults.	Rent of scales.
Express charges.	Rent of station buildings (not jointly used).
Feeding and shoeing horses.	Reports to agents of commercial standing.
Furniture repairs and renewals.	Sprinkling station grounds.
Garage expenses.	Station employees' expenses.
Licenses for ticket agents.	Telegraph service.
Mail transfer by others than employees.	Telephone service.
Membership fees and dues in agents' associations.	Warehouse charges for storage of freight.
Power for station machinery.	Washing towels.
Rent of automatic weighing and recording devices.	

ITEMS OF TOOLS AND SUPPLIES.

(See special instructions, section 22.)

Atlases and maps.	Baggage checks.	Brooms.
Auto trucks.	Barometers.	Brushes.
Awnings.	Baskets.	Buckets.
Axes.	Bicycles.	Bulletin boards.
Badges.	Blocking.	Call bells.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

Candles.	Ice.	Sawdust.
Car-seal presses.	Ice barrels.	Saws.
Car seals.	Ice boxes.	Scoops.
Carpets.	Ice buckets.	Scales, portable.
Chains.	Ice carts.	Scrubbing brushes.
Chair cushions.	Ice tongs.	Settees.
Chairs.	Keys.	Shovels.
Chalk.	Ladders.	Sledges.
Chamois skins.	Lamp burners.	Soap.
Check boxes.	Lamp chimneys.	Spades.
Check racks.	Lamp fittings.	Sponges.
Checks.	Lamp globes.	Sprinkling cans.
Clocks.	Lamp mantles.	Stools.
Coal hods.	Lampblack.	Stove blacking.
Cold chisels.	Lamps (not permanently attached to buildings).	Stoves and stovepipe.
Cooperage material.	Lantern fittings.	Switch lamp supplies at points where regular switching service is not maintained.
Copy-press stands.	Lantern globes.	Tables.
Counter brushes.	Lanterns.	Tacks.
Counter scales.	Letter boxes.	Tarpaulins (not for cars).
Cups.	Mail bags.	Thermometers.
Curtains.	Marking brushes.	Ticket cases.
Cuspidors.	Marking pots.	Tongs.
Desks.	Marline.	Tool boxes.
Dippers.	Matches.	Torpedoes.
Directories.	Measures.	Towels.
Dusters.	Medical boxes.	Trucks.
Electric fans.	Medical supplies.	Twine.
Electric lamps.	Mirrors.	Uniforms.
Electric-light supplies.	Money drawers.	Washbasins.
Feather dusters.	Nails for boxing.	Waste.
Feed for horses.	Newspapers.	Water.
Files, document.	Oil.	Water barrels.
Fire buckets.	Oil cans.	Water bowls.
Fire grenades.	Packing material.	Water cans.
Flags.	Padlocks.	Water coolers.
Floor coverings.	Pails.	Water pails.
Gangplanks.	Pinch bars.	Wheelbarrows.
Gas.	Punches for baggagemen and gatemen.	Whisk brooms.
Gasoline.	Rakes.	Wicks.
Hampers.	Reflectors.	Wrenches.
Hatchets.	Rolling chairs for invalids.	
Hoes.	Safes.	
Hooks.		
Hose and couplings.		

377. YARDMASTERS AND YARD CLERKS.

This account shall include the pay of general yardmaster, yardmaster, assistant yardmaster, general yard foreman, and yard clerks and attendants in yards where regular switching service is maintained and in terminal switching and transfer service, including employees engaged in calling yardmen and trainmen; also pay of policemen, watchmen, and detectives in yard service. (See account No. 389, "Yard supplies and expenses.")

378. YARD CONDUCTORS AND BRAKEMEN.

This account shall include the pay of yard conductors or foremen and yard brakemen or switchmen handling cars in passenger and freight yards where regular switching service is maintained and in terminal switching and transfer service, including pay while deadheading in connection with such service. (See account No. 389, "Yard supplies and expenses.")

NOTE.—When conductors and brakemen are engaged in both train and yard service their pay shall be apportioned between the train and yard accounts on the basis of service rendered. This does not apply to train switching service performed by train crews, the entire pay of whom shall be charged to account No. 401, "Trainmen."

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

379. YARD SWITCH AND SIGNAL TENDERS.

This account shall include the pay of employees in yards where regular switching service is maintained, who are engaged in the operation of yard switches and signals, including interlockers used solely or principally for the government of all movements of locomotives and trains between main and yard tracks, movements of locomotives between yard tracks and enginehouses, and yard switching movements. (See account No. 389, "Yard supplies and expenses.")

LIST OF EMPLOYEES.

(See special instructions, section 22.)

Battery men.	Lamplighters.	Switch tenders.
Interlocker oilers.	Lever men.	Tower men.
Lamp cleaners.	Signalmen.	
Lamp men.	Switch oilers.	

380. YARD ENGINEMEN.

This account shall include the pay of yard engineers, and firemen while engaged in yards where regular switching service is maintained and in terminal switching and transfer service, including pay of such employees while deadheading in connection with yard service.

NOTE.—The pay of enginemen on locomotives engaged in more than one class of service shall be apportioned on the basis of service rendered. Pay of enginemen on train locomotives while engaged in train switching service shall be included in account No. 392, "Train enginemen." The pay of enginemen on locomotives engaged in work service shall be included in the cost of the work to which the service pertains.

381. YARD MOTORMEN.

This account shall include the pay of yard motormen while engaged in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service, including pay of such employees while deadheading in connection with yard service.

NOTE.—The pay of motormen on locomotives engaged in more than one class of service shall be apportioned on the basis of service rendered. Pay of motormen on train locomotives while engaged in train switching service shall be included in account No. 393, "Train motormen." The pay of motormen on locomotives engaged in work service shall be included in the cost of the work to which the service pertains.

382. FUEL FOR YARD LOCOMOTIVES.

This account shall include the cost, delivered on locomotive tenders, of coal, coke, oil, wood, and other fuel consumed by locomotives in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service, including a suitable proportion of the pay of fuel agents, fuel inspectors, fuel weighers, and clerks engaged in accounting for fuel at fuel stations; pay of foremen and other fuel-station employees; also a suitable proportion of the cost of tools, such as wheelbarrows, shovels, scoops, and picks, used for handling fuel at such stations, and the cost of operating machinery at fuel stations.

NOTE A.—The cost of repairs and renewals of coal chutes, buggies, pockets, air hoists, mechanical hoists, and mechanical conveyors at fuel stations shall be charged to account No. 233, "Fuel stations."

NOTE B.—The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

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383. YARD SWITCHING POWER PRODUCED.

This account shall include the cost of the production and distribution of electric power used in operating locomotives and cars in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service.

EMPLOYEES.—The pay of employees engaged in operating electric-power stations and substations, such as engineers, firemen, electricians, dynamo men, oilers, cleaners, and coal passers.

FUEL.—The cost of coal, oil, gas, and other fuel, including the cost of labor unloading or stocking fuel.

WATER.—The cost of water used to produce steam or to operate water plants, including pumping, rent of ponds, streams, and pipe lines; also water tests, boiler compounds, and other like supplies and expenses.

OTHER SUPPLIES AND EXPENSES.—The cost of lubricants, such as oil and grease used in lubricating engines, shafting, dynamos, and pumps; cost of waste, carbon brushes, fuses, lamps, and other supplies; also the cost of heating and lighting power plants, and other expenses not elsewhere specified in connection with operation of electric-power plants. (See special instructions, section 12.)

NOTE.—The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

384. YARD SWITCHING POWER PURCHASED.

This account shall include the cost of electric power purchased for the propulsion of engines and cars in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service.

NOTE.—The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

385. WATER FOR YARD LOCOMOTIVES.

This account shall include the cost of water supplied to locomotives in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service, including rent of ponds, lakes, other sources of water supply, and right of way for pipe lines; cost of water purchased, expenses of work trains while engaged in hauling water for locomotive supply, and cost of testing water; also cost of labor expended and cost of materials and supplies used in the operation of water stations and purifying plants.

The cost of operating boilers, engines, and pumps at water stations; heating and lighting water stations, breaking ice in water tanks, thawing out tank spouts and water cars, keeping fires in tanks and water cars to prevent freezing, shoveling snow into locomotive tanks; also temporary connections between water cars and locomotive tenders, compounds injected into locomotive boilers to decrease scale formation, and other expenses

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directly incident to the supplying of water to such locomotives, shall be included in this account.

An equitable proportion of the pay and the office, traveling, and other expenses of superintendent of water service engaged in connection with water supply for locomotives shall be included in this account.

ITEMS OF WATER STATION SUPPLIES.

(See special instructions, section 22.)

Axes.	Gasoline drums.	Slice bars.
Boiler compounds.	Hand tools.	Stove fixtures.
Chemicals.	Hose.	Stoves.
Coal.	Oil.	Waste.
Coal picks.	Rubber packing.	Wrenches.
Engine igniter batteries.	Shovels.	
Gasoline.	Siphons.	

NOTE.—The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

386. LUBRICANTS FOR YARD LOCOMOTIVES.

This account shall include the cost of valve, engine, car, and other lubricating oils, grease, compounds, and waste used for lubrication of locomotives in switching service in yards where regular switching service is maintained and in terminal switching and transfer service.

NOTE.—The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

387. OTHER SUPPLIES FOR YARD LOCOMOTIVES.

This account shall include the cost of supplies, other than fuel, water, and lubricants, used on locomotives in switching service in yards where regular switching service is maintained and in terminal switching and transfer service, including the cost of repairs and renewals of furniture, tools, and other movable articles required for use on locomotives in yard service.

The cost of sand charged to this account shall include the cost of material and supplies used in preparing and drying the sand for use, such as the cost of fuel, wheelbarrows, shovels, and sand screens.

ITEMS OF TOOLS AND SUPPLIES.

(See special instructions, section 22.)

Ash hoes.	Crowbars.	Jackscrews.
Ash-pan rods.	Files.	Lanterns and parts.
Axes.	First-aid boxes.	Locks for portable boxes.
Bars, buggy.	Flags.	Matches.
Bell cords.	Globes for lanterns.	Oil cans.
Boxes, portable.	Grate shakers.	Oil for headlights.
Brooms.	Hammers.	Oil for lanterns.
Brushes.	Handsaws.	Oil for signal lamps.
Buckets.	Hatchets.	Oil for torches.
Carbide for acetylene gas.	Hose (not air-brake, air-	Oilers.
Carbons for electric lights.	signal, or steam).	Packing hooks.
Chimneys for headlights.	Hose, thaw-out.	Packing spoons.
Chimneys for signal lamps.	Hose reels.	Picks, coal.
Chisels.	Ice.	Pinch bars.
Clinker hooks.	Jacks.	Plugging bars.

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Pokers.	Soap.	Water buckets.
Sand.	Switch chains.	Water coolers.
Saws.	Switch poles.	Wicks for headlights.
Scoops.	Switch ropes.	Wicks for lanterns.
Shovels.	Tool boxes, portable.	Wicks for signal lamps.
Signal lamps.	Torches.	Wicks for torches.
Sledges.	Torpedoes.	Wrecking frogs.
Slice bars.	Waste.	Wrenches.

NOTE A.—Where the quantity of sand used on locomotives engaged in yard service is relatively small as compared with the quantity used by locomotives engaged in train service, the entire cost of such material shall be included in account No. 399, "Other supplies for train locomotives." Where the quantity used in yard service is relatively large, the entire cost shall be included in this account.

NOTE B.—The cost of other supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

388. ENGINEHOUSE EXPENSES—YARD.

This account shall include the expense of caring for and preparing locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service, including a proportion of such expenses as are common to train, yard switching, and work service.

ENGINEHOUSE MEN.—The pay of enginehouse employees engaged in wiping, cleaning, watching, and dispatching locomotives; keeping and preparing fires, dumping ashes, washing boilers, cleaning fire boxes, packing driving boxes and truck boxes; cleaning smokestacks, air-brake equipment, and front ends of locomotives; checking locomotive tool equipment, cleaning ash and cinder pits; operating turntables, drying sand, inspecting smokestacks and ash pans; calling enginemen; and moving locomotives around engine yards when operated by hostlers; also a proportion of the pay of enginehouse foremen and their clerks.

MISCELLANEOUS EXPENSES.—The cost of tools, supplies, and sundry expenses on account of caring for and preparing locomotives at enginehouses.

ITEMS OF MISCELLANEOUS EXPENSES.

(See special instructions, section 22.)

Boiled oil.	Paint for front ends of locomotives.
Compounds for cleaning and polishing.	Power for operation of turntables and transfer tables.
Enginehouse cupboards.	Rent of roundhouse stalls.
Gas, oil, and electricity for lighting.	Shovels.
Heating enginehouses, including offices.	Signal lights on transfer tables and turntables.
Lampblack.	Waste.
Lanterns used by enginehouse men.	Water for cinder pits.
Lighting enginehouses, including offices.	Water for washing boilers.
Lubricating oil for enginehouse, ash pit, transfer table, and turntable machinery.	Water hose.
Lye.	Wheelbarrows.
Packing tools.	

NOTE A.—Enginehouse expenses of locomotives in work service shall be included in the cost of the work to which the service pertains.

NOTE B.—The pay of mechanics and laborers engaged in locomotive repair work in enginehouses shall be charged to the appropriate accounts for locomotive repairs.

389. YARD SUPPLIES AND EXPENSES.

This account shall include the cost of supplies (except locomotive supplies) used in yard service, yard signal and interlocker supplies, and mis-

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

cellaneous yard expenses for yards where regular switching service is maintained; also office and other expenses of employees whose pay is chargeable to accounts Nos. 377, 378, and 379.

ITEMS OF YARD SUPPLIES.

(See special instructions, section 22.)

Electric-light carbons.	Lamp wicks.	Stoves.
Electric-light globes.	Lantern globes.	Switch chains.
Flags.	Lantern wicks.	Switch lamps.
Fuel for heating.	Lanterns.	Switch ropes.
Fuel for power.	Lubricants for machinery	Waste.
Illuminating oil.	and switches.	Wrecking frogs.
Lamp burners.	Semaphore lamps.	Wrecking wedges.
Lamp chimneys.	Signal lamps.	

ITEMS OF YARD EXPENSE.

(See special instructions, section 22.)

Electricity purchased for lighting yards and yard buildings.	Power purchased for operating switches and signals.
Furniture repairs and renewals.	Rent of telephones.
Gas purchased for lighting yards and yard buildings.	Rent of yard buildings (not jointly used).
Power produced for operating switches and signals.	

390. OPERATING JOINT YARDS AND TERMINALS—DR.

This account shall include the carrier's proportion of the costs incurred by others in their operation of joint yards and terminals, including signals, interlockers, and other facilities at such joint yards and terminals.

NOTE A.—The purpose of this account is to show the amounts accruing against the carrier for its proportion of the cost of operating yards and terminals operated by others, and in the joint use of which the carrier participates. (See special instructions, section 9.)

NOTE B.—No proportions of items of expense chargeable by the operating carrier to accounts Nos. 392 to 402, inclusive, shall be included in this account.

391. OPERATING JOINT YARDS AND TERMINALS—CR.

This account shall include amounts chargeable to others as their proportions of the costs incurred by the carrier in the operation of joint yards and terminals, including signals, interlockers, and other facilities at such joint yards and terminals.

NOTE A.—The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportion of the cost of operating yards and terminals operated by the carrier and in the joint use of which others participate. (See special instructions, section 9.)

NOTE B.—No proportions of items of expense chargeable by the operating carrier to accounts Nos. 392 to 402, inclusive, shall be included in this account.

392. TRAIN ENGINEMEN.

This account shall include the pay of steam locomotive engineers and firemen while engaged in transportation train service or while deadheading in connection therewith and pay of such enginemen engaged in piloting trains over home lines; also the pay of employees while regularly engaged in shoveling coal forward on locomotive tenders.

NOTE.—The pay of enginemen on locomotives engaged in more than one class of service shall be apportioned on the basis of service rendered. Pay of enginemen on train locomotives while engaged in train switching service shall be included in this account. The pay of enginemen on locomotives engaged in work service shall be included in the cost of the work to which the service pertains.

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393. TRAIN MOTORMEN.

This account shall include the pay of motormen while engaged in running other than steam locomotives and cars in transportation train service or while deadheading in connection therewith; also the pay and expenses of motormen while engaged in piloting trains or cars over home lines.

NOTE.—The pay of motormen on locomotives engaged in more than one class of service shall be apportioned on the basis of service rendered. Pay of motormen on train locomotives while engaged in train switching service shall be included in this account. The pay of motormen on locomotives engaged in work service shall be included in the cost of the work to which the service pertains.

394. FUEL FOR TRAIN LOCOMOTIVES.

This account shall include the cost, delivered on locomotive tenders, of coal, coke, oil, wood, and other fuel consumed by locomotives in transportation train service, including a suitable proportion of the pay of fuel agents, fuel inspectors, fuel weighers, and clerks engaged in accounting for fuel at fuel stations; pay of foremen and other fuel station employees; also a suitable proportion of the cost of tools, such as wheelbarrows, shovels, scoops, and picks, used for handling fuel at such stations, and the cost of operating machinery at fuel stations.

NOTE A.—The cost of repairs and renewals of coal chutes, buggies, pockets, air hoists, mechanical hoists, and mechanical conveyors shall be charged to account No. 233, "Fuel stations."

NOTE B.—The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

395. TRAIN POWER PRODUCED.

This account shall include the cost of producing and distributing electric power for the propulsion of electric locomotives and cars in transportation train service.

EMPLOYEES.—The pay of employees engaged in operating electric-power stations and sub-stations, such as engineers, firemen, electricians, dynamo men, oilers, cleaners, and coal passers.

FUEL.—The cost of coal, oil, gas, and other fuel, including the cost of labor unloading or stocking fuel.

WATER.—The cost of water used to produce steam or to operate water plants, including pumping, rent of ponds, streams, and pipe lines; also water tests, boiler compounds, and other like supplies and expenses.

OTHER SUPPLIES AND EXPENSES.—The cost of lubricants, such as oil and grease, used in lubricating engines, shafting, dynamos, and pumps; cost of waste, carbon brushes, fuses, lamps, and other supplies; also cost of heating and lighting power plants, and other expenses not elsewhere specified in connection with operation of electric-power plants. (See special instructions, section 12.)

NOTE.—The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

396. TRAIN POWER PURCHASED.

This account shall include the cost of electric power purchased for the propulsion of locomotives and cars in transportation train service.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

NOTE.—The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

397. WATER FOR TRAIN LOCOMOTIVES.

This account shall include the cost of water supplied to locomotives in transportation train service, including rent of ponds, lakes, other sources of water supply, and right of way for pipe lines; cost of water purchased, expenses of supply trains while engaged in hauling water for locomotive supply, and cost of testing water; also cost of labor expended and cost of material and supplies used in the operation of water stations and purifying plants.

The cost of operating boilers, engines, and pumps at water stations, heating and lighting water stations, breaking ice in water tanks, thawing out tank spouts and water cars, keeping fires in tanks and water cars to prevent freezing, shoveling snow into locomotive tanks; also temporary connections between water cars and locomotive tenders, compounds injected into locomotive boilers to decrease scale formation, and other expenses directly incident to the supplying of water to such locomotives, shall be included in this account.

An equitable proportion of the pay and the office, traveling, and other expenses of superintendent of water service, engaged in connection with water supply for locomotives, shall be included in this account.

ITEMS OF WATER STATION SUPPLIES. (See special instructions, section 22.)

Axes.	Gasoline drums.	Slice bars.
Boiler compounds.	Hand tools.	Stove fixtures.
Chemicals.	Hose.	Stoves.
Coal.	Oil.	Waste.
Coal picks.	Rubber packing.	Wrenches.
Engine igniter batteries.	Shovels.	
Gasoline.	Siphons.	

NOTE.—The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

398. LUBRICANTS FOR TRAIN LOCOMOTIVES.

This account shall include the cost of valve, engine, car, and other lubricating oils, grease, compounds, and waste used for lubrication of locomotives in transportation train service.

NOTE.—The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

399. OTHER SUPPLIES FOR TRAIN LOCOMOTIVES.

This account shall include the cost of supplies other than fuel, water, and lubricants, including the cost of repairs and renewals of furniture, tools, and other movable articles required for use on locomotives in transportation train service.

The cost of sand charged to this account shall include the cost of material and supplies used in preparing and drying the sand for use, such as the cost of fuel, wheelbarrows, shovels, and sand screens.

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ITEMS OF TOOLS AND SUPPLIES.
(See special instructions, section 22.)

Ash hoes.	Hose (not air-brake, air-signal, or steam).	Sand.
Ash-pan rods.	Hose, thaw-out.	Saws.
Axes.	Hose reels.	Scoops.
Bars, buggy.	Ice.	Shovels.
Bell cords.	Jacks.	Signal lamps.
Boxes, portable.	Jackscrews.	Sledges.
Brooms.	Lanterns and parts.	Slice bars.
Brushes.	Locks for portable boxes.	Soap.
Buckets.	Matches.	Switch chains.
Carbide for acetylene gas.	Oil cans.	Switch poles.
Carbons for electric lights.	Oil for headlights.	Switch ropes.
Chimneys for headlights.	Oil for lanterns.	Tool boxes, portable.
Chimneys for signal lamps.	Oil for signal lamps.	Torches.
Chisels.	Oil for torches.	Torpedoes.
Clinker hooks.	Oilers.	Waste.
Crowbars.	Packing, fiber.	Water buckets.
Files.	Packing, rubber.	Water coolers.
First-aid boxes.	Packing hooks.	Wicks for headlights.
Flags.	Packing spoons.	Wicks for lanterns.
Globes for lanterns.	Picks, coal.	Wicks for signal lamps.
Grate shakers.	Pinch bars.	Wicks for torches.
Hammers.	Plugging bars.	Wrecking frogs.
Handsaws.	Pokers.	Wrenches.
Hatchets.		

NOTE A.—Where the quantity of sand used on locomotives engaged in train service is relatively small as compared with the quantity used by locomotives engaged in yard service, the entire cost of such material shall be included in account No. 387, "Other supplies for yard locomotives." Where the quantity used in train service is relatively large, the entire cost shall be included in this account.

NOTE B.—The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

400. ENGINEHOUSE EXPENSES—TRAIN.

This account shall include the expense of caring for and preparing locomotives for transportation train service, including a proportion of such expenses as are common to train, yard switching, and work service.

ENGINEHOUSE MEN.—The pay of enginehouse employees engaged in wiping, cleaning, watching, and dispatching locomotives; preparing and keeping fires, dumping ashes, washing boilers, cleaning fire boxes, packing driving boxes and truck boxes; cleaning smokestacks, air-brake equipment, and front ends of locomotives; checking locomotive tool equipment, cleaning ash and cinder pits; operating turntables, drying sand, inspecting smokestacks and ash pans; and moving locomotives around engine yards when operated by hostlers; also a proportion of the pay of enginehouse foremen and their clerks.

MISCELLANEOUS EXPENSES.—The cost of tools and supplies and sundry expenses on account of caring for and preparing locomotives at engine-houses.

ITEMS OF MISCELLANEOUS EXPENSES.
(See special instructions, section 22.)

Boiled oil.	Lighting enginehouses, including offices.
Compounds for cleaning and polishing.	Lubricating oil.
Gas, oil, and electricity for lighting.	Lye.
Heating enginehouses, including offices.	Packing tools.
Lampblack.	Power for operation of turntables and transfer tables.
Lanterns used by enginehouse men.	

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Paint for front ends of locomotives.	Waste.
Shovels.	Water for cinder pits.
Signal lights on transfer tables and turn-	Water for washing boilers.
tables.	Water hose.
Rent of roundhouse stalls.	Wheelbarrows.

NOTE A.—Enginehouse expenses of locomotives in work service shall be included in the cost of the work to which the service pertains.

NOTE B.—The pay of mechanics and laborers engaged in locomotive repair work in enginehouses shall be charged to the appropriate accounts for locomotive repairs.

401. TRAINMEN.

This account shall include the pay of conductors; of train auditors, ticket collectors, and others engaged in lifting or examining authorities for transportation; and of baggagemen, brakemen, flagmen, train porters, train guards, train stenographers, maids, and other train employees while engaged in transportation train service or while deadheading in connection therewith; also the pay of trainmen while engaged in piloting trains over home lines.

NOTE.—The pay of trainmen while engaged in work-train service shall be included in the cost of the work to which the service pertains.

402. TRAIN SUPPLIES AND EXPENSES.

This account shall include miscellaneous expenses of transportation service trains and the cost of all supplies other than locomotive supplies.

CLEANING CARS.—The cost of cleaning and disinfecting passenger and freight cars in transportation train service, including cost of removing from freight-train cars such refuse material as sawdust, hay, and straw.

ITEMS OF SERVICE AND SUPPLIES.

(See special instructions, section 22.)

Brooms.	Disinfecting machines.	Soap.
Brushes.	Fuel for heating water.	Sponges.
Cleaning compounds.	Hose and fixtures.	Water.
Compressed air.	Labor of employees.	
Disinfectants.	Polishing compounds.	

HEATING CARS.—The cost of heating cars in transportation train service, including cost of operating steam-heating plants for car heating at stations and yards.

ITEMS OF SERVICE AND SUPPLIES.

(See special instructions, section 22.)

Connections between steam heating lines	Labor of employees.
and cars.	Removal of ashes from car stoves.
Fuel.	Stoves temporarily in freight cars.

LIGHTING CARS.—The cost of lighting cars in transportation train service, including the cost of filling and cleaning lamps and of operating plants for supplying gas or electricity for lighting purposes.

ITEMS OF SERVICE AND SUPPLIES.

(See special instructions, section 22.)

Battery renewals.	Gas mantles.	Lamp carbons.
Candles.	Globes.	Oil.
Chimneys.	Hose and connections.	Shades.
Electricity.	Incandescent lamp bulbs.	Wicks.
Gas.	Labor of employees.	

NOTE.—Repairs of gas lighting and electric lighting plants shall be included in the proper maintenance accounts. Repairs and renewals of electric lighting equipment of cars, except supplies as above provided shall be included in the appropriate car-repair account.

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LUBRICATING CARS.—The cost of lubricating cars in transportation train service, including cost of inspecting, repacking, and oiling car journal boxes and air-brake equipment.

ITEMS OF SERVICE AND SUPPLIES.

(See special instructions, section 22.)

Cotton waste.	Oil, grease, and other lubricants.	Packing irons.
Grease buckets.	Packing buckets.	Packing, miscellaneous.
Labor of employees.	Packing hooks.	Wool waste.
Oil cans.		

ICING AND WATERING CARS.—The cost of icing and watering cars in transportation train service, including icing cars for refrigeration purposes. Credits shall be made to this account for refrigeration charges collected from other companies and individuals.

ITEMS OF SERVICE AND SUPPLIES.

(See special instructions, section 22.)

Buckets.	Ice tools.	Salt.
Hose and fixtures.	Labor of employees.	Water.
Ice.	Ladders.	

DETOURING TRAINS.—The compensation for temporary use of tracks of other carriers, including the cost of pilot service, on account of wrecks, washouts, landslides, snow blockades, and other defects of the tracks, bridges, or tunnels on the carrier's line.

TRAIN SUPPLIES.—The cost of supplies furnished for use on cars in transportation train service.

ITEMS OF TRAIN SUPPLIES.

(See special instructions, section 22.)

Axes.	Hammers.	Shovels.
Badges.	Hatchets.	Signal boxes.
Beds.	Jacks.	Signal lamps (rear).
Bell cords.	Lamp boards.	Sledges.
Boxes for trainmen.	Lamp sticks.	Soap.
Brooms.	Lantern globes.	Switch chains.
Brushes.	Lantern parts.	Switch ropes.
Chains.	Lanterns.	Toilet paper.
Chairs for cabooses (not permanently attached).	Matches.	Torpedoes.
Cold chisels.	Medical boxes.	Towels.
Combs.	Oil for lanterns.	Train tool boxes.
Conductors' punches.	Order hoops.	Uniform trimmings.
Cuspidors.	Padlocks.	Uniforms.
Drinking cups and glasses.	Pails.	Ventilator sticks.
Fire buckets.	Punches.	Waste.
Flags.	Sawdust.	Water buckets.
Fuses.	Saws.	Wrecking frogs.
	Scoops.	Wrenches.

OTHER EXPENSES.—The cost of miscellaneous supplies required to equip trains for transportation service and miscellaneous expenses incident to operation of such trains.

ITEMS OF EXPENSE ON ACCOUNT OF EMPLOYEES.

(See special instructions, section 22.)

Apparatus for testing the sight and hearing of engineers and trainmen.
 Employees' reading and bunk room expense, including pay of attendants and supplies furnished.
 Laundry work.
 Physicians' fees for examination of train employees.
 Wages paid to superintendents and secretaries of reading rooms.

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ITEMS OF EXPENSE ON ACCOUNT OF TRANSPORTATION.

(See special instructions, section 22.)

Bedding for stock cars.
 Boarding and slatting box and stock cars for carrying coal, coke, and other freight.
 Boards for flooring fruit cars.
 Chains for securing loads.
 Cleaning, trimming, and filling trainmen's lanterns and rear signal lamps.
 Coupling and uncoupling cars at terminals.
 Disinfecting cars.
 Dunnage used in loading cars or fitting cars for freight shipments.
 Feed for live stock in snow-bound or otherwise delayed trains.
 Flowers and plants for cars.
 Laundry for revenue service cars other than for dining and buffet service and sleeping car service.
 Occasional turning of engines on Y of other carriers.
 Oil and other supplies for locomotives hauled as freight.
 Periodicals for use of passengers on trains.
 Planking cars for billet shipments and other material.
 Provisions, supplies, or board for passengers in delayed trains.
 Removing advertisements from cars.
 Rent of fare registers in cars.
 Safety chains for use between twin and triple cars.
 Supplies for parlor and chair cars.
 Supplies furnished cars for the purpose of protection against accidents and fires.
 Temporary grain doors.
 Temporary lining of cars for freight shipments and stoves and heaters to prevent freezing.
 Temporary openings in cars for freight shipments.
 Temporary racking of cars for handling sugar-cane, corn bark, or cordwood.
 Transferring passengers, express matter, baggage, mail, and freight on account of defective tracks, bridges, or tunnels.

NOTE.—The expenses of operating sleeping, dining, and buffet car features of train service shall be included in the account No. 403, "Operating sleeping cars," or in account No. 441, "Dining and buffet service," as may be appropriate.

403. OPERATING SLEEPING CARS.

This account shall include the cost of operating sleeping car service on trains.

SUPERINTENDENCE.—The pay of officers directly in charge of operating sleeping car service; the pay of their clerks and office attendants; also the office, traveling and other expenses of such officers and employees.

STATION EMPLOYEES.—The pay and expenses of local agents, ticket agents, cashiers, clerks, and attendants; also the office and other expenses of such employees.

STATION EXPENSES.—The expenses of fuel, water, steam, and supplies used in heating station offices; gas, oil, electric current, and other supplies for lighting; repairs and renewals of station furniture, and all other station expenses connected with sleeping car service when separable from the station expenses chargeable to account No. 376, "Station supplies and expenses."

CONDUCTORS.—The pay of conductors employed on sleeping cars.

PORTERS AND MAIDS.—The pay of porters and maids employed on sleeping cars.

CAR SUPPLIES.—The cost of miscellaneous supplies used on sleeping cars, such as combs, brushes, brooms, and toilet paper; also uniforms, caps, and service stripes for employees.

LAUNDRY.—Expenses for laundry work, such as laundering sheets, pillow-cases, towels, blankets, etc.

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OTHER EXPENSES.—The cost of flowers and plants, heating cars, cleaning the interior of cars, and of supplies used in interior cleaning, rent and cost of supplies for rooms furnished for sleeping car service employees, and such other expenses in connection with the operation of sleeping cars as are not provided for elsewhere.

NOTE.—When officers have immediate supervision over sleeping car service and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

404. SIGNAL AND INTERLOCKER OPERATION.

This account shall include the cost of operating signals and interlockers other than those solely or principally used for governing all movements of locomotives and trains between main and yard tracks, movements of locomotives between yard tracks and enginehouses, and yard switching movements.

LABOR.—The wages of employees engaged in operating signals and interlockers or power producing plants in connection therewith, such as switch tenders, signalmen other than telegraph operators, lever men, switch and signal oilers, battery men, lamp men, lamp cleaners, and lamplighters; gatemen at crossings of other railroads, engineers and others operating plants furnishing compressed air for signals and interlockers; engineers, electricians and others operating plants furnishing electric power for signals and interlockers.

SUPPLIES.—The cost of supplies used in operating signals and interlockers or in signal offices, such as gasoline, vitriol, battery zincs, battery coppers, lubricating oils, fuel for heating, fuel for power purposes, produced and purchased power used in operating switches and signals, furniture repairs and renewals, water, and light.

NOTE.—The cost of operating signals and interlockers solely or principally used for governing the movement of yard locomotives and trains shall be included in the appropriate yard expense accounts.

405. CROSSING PROTECTION.

This account shall include the pay of street and highway crossing gatekeepers and flagmen, the cost of supplies used by them, the cost of lights at street and highway crossings not a part of the lighting outfit at stations or in yards, and the cost of compressed air for operating gates.

406. DRAWBRIDGE OPERATION.

This account shall include the cost of operating drawbridges.

LABOR.—The wages of employees engaged in operating drawbridges, such as bridge engineers, tenders, and watchmen.

SUPPLIES.—The cost of produced and purchased power and of supplies, such as fuel, oil, lanterns, water, waste, boats, stoves, chairs, brooms, and pails used in drawbridge operation.

407. TELEGRAPH AND TELEPHONE OPERATION.

This account shall include the cost of telegraph and telephone operation not provided for elsewhere.

SUPERINTENDENT—TELEGRAPH.—The pay of superintendents of telegraph, telegraph censors, their clerks, and attendants.

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TELEGRAPH OPERATORS AND MESSENGERS.—The pay of telegraph operators, block inspectors, and messengers in telegraph and relay offices other than those employed in dispatching trains and those located in general offices or at stations.

OTHER TELEGRAPH EXPENSES.—Office, traveling, and incidental expenses, including office rent, of employees whose pay is chargeable to this account; rent of telegraph conduits, lines, and poles; cost of battery renewals and supplies, bicycles for messengers, and electric current for telegraph purposes; also excess payments to telegraph companies when in connection with telegraph service and not provided for elsewhere.

NOTE A.—The pay, rent, other office expenses, and traveling expenses of superintendents of telegraph, their assistants, clerks, and attendants, when engaged both in maintaining and operating telegraph lines, shall be apportioned equally between this account and account No. 247, "Telegraph and telephone lines."

SUPERINTENDENCE.—The pay of vice-presidents and other officers directly their clerks, and attendants.

TELEPHONE OPERATORS AND MESSENGERS.—The pay of telephone operators and messengers in telephone offices other than those employed in dispatching trains and those located in general offices or at stations.

OTHER TELEPHONE EXPENSES.—Office, traveling, and incidental expenses, including office rent, of employees whose pay is chargeable to this account; rent of telephone conduits, lines, and poles; cost of battery renewals and supplies, bicycles for messengers, and electric current for telephone purposes; also excess payments to telephone companies when in connection with telephone service and not provided for elsewhere.

NOTE B.—The pay, rent, other office expenses, and traveling expenses of superintendents of telephone, their assistants, clerks, and attendants, when engaged both in maintaining and operating telephone lines, shall be apportioned equally between this account and account No. 247, "Telegraph and telephone lines."

403. OPERATING FLOATING EQUIPMENT.

This account shall include the cost of operating floating equipment in water transfer service (ferriage, lighterage, and floatage). (See general instructions, section 1.)

SUPERINTENDENCE.—The pay of vice-presidents and other officers directly in charge of or engaged in the operation of boats; the pay of their assistants, clerks, and attendants; also the office, traveling, and other expenses of such officers and their employees.

WAGES OF CREWS.—The pay of captains, pilots, chief officers, mates, sailors, wireless telegraph operators, and other employees of the deck department; engineers; assistant engineers, electricians, oilers, firemen, coal passers, and all other employees of the engineer's department; and pursers, porters, and all other employees in the steward's department, except when engaged in dining and buffet service.

FUEL.—The cost, on board boats (including the cost of trimming) of coal, oil, wood, and other fuel used for generating power, heat, or light.

LUBRICATION.—The cost of oil, grease, tallow, graphite, and other material furnished for lubricating purposes.

OTHER SUPPLIES AND DEPARTMENTAL EXPENSES.—The cost of supplies furnished to deck department; the incidental expenses of deck department employees; supplies other than fuel and lubricants, furnished the engineer's

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department; water furnished to boats; incidental expenses of engineer's department employees; supplies (other than dining and buffet supplies) furnished to the steward's department; laundry for boats; and incidental expenses of steward's department employees.

ITEMS OF SUPPLIES.

(See special instructions, section 2.)

Axes.	Hose.	Ropes.
Brooms.	Ice.	Shovels.
Brushes.	Lamps.	Soap.
Commissarial supplies.	Laundry.	Tallow.
Flags.	Lines.	Tools, miscellaneous.
Gas.	Mops.	Trucks.
Globes.	Oil.	Waste.
Grease.	Pails.	Water.
Handspikes.	Planks.	Wicks.
Hatchets.	Provisions.	Wrenches.

OTHER EXPENSES.—Expenses incident to the operation of floating equipment not otherwise provided for in this account.

ITEMS OF EXPENSE.

(See special instructions, section 22.)

Customhouse fees.	Transferring passengers in case of accidents.
License fees.	
Pumping out boats laid up.	Wharfage.
Raising sunken boats.	

ELEVATION AND LONGSHORE LABOR.—The cost of shore labor in connection with loading and unloading lighterage freight at wharves and piers, such as labor of bridgemen at transfer bridges and of watchmen, longshoremen, stevedores, and other wharf men.

ELEVATION AND SHORE EXPENSES.—Shore expenses in connection with loading and unloading lighterage freight, such as the cost of steam and electricity for power, heating, and lighting; power and supplies used for transfer or float bridges; supplies used in connection with operating wharves and piers and not chargeable to account No. 376, "Station supplies and expenses."

ITEMS OF SUPPLIES.

(See special instructions, section 2.)

Brooms.	Incandescent lights.	Shovels.
Carbons.	Lamps, reflector.	Soap.
Chalk.	Lanterns.	Tacks.
Coal hods.	Marline.	Tallow.
Coal shovels.	Matches.	Torches.
Cold chisels.	Oil.	Towels.
Crowbars.	Oil cans.	Twine.
Gas.	Pails.	Waste.
Hammers.	Pinch bars.	Water.
Hatchets.	Ropes.	Water coolers.
Ice.	Salt.	Wheelbarrows.
Ice tongs.	Scoops.	

NOTE A.—When the compensation for the use of floating equipment used in water transfer service includes rent, maintenance, and operation, the portion covering rent shall be charged to income account No. 539, "Rent for floating equipment," the portion covering maintenance shall be charged to the appropriate account for maintenance of equipment, and the portion covering operation shall be included in this account.

NOTE B.—The cost of labor expended in transferring freight between cars and boats shall be distributed in such manner as to include in account No. 373, "Station employees," the expense of handling between the cars and the string piece of the wharf or rail of the boat, and to include in this account the expense of handling upon the boats.

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409. EXPRESS SERVICE.

This account shall include the cost of operating express service.

DRIVERS AND MESSENGERS.—Pay of express messengers, drivers, and helpers, and cost of their uniforms, uniform trimmings, and badges; and pay of baggagemasters handling express.

OTHER EXPENSES.—Pay of stablemen in express service, rent of stables, and expense of feeding and shoeing horses.

410. STATIONERY AND PRINTING.

This account shall include the cost of stationery and printing used in connection with rail line transportation, including operation of floating equipment.

STATIONERY AND PRINTING ITEMS.

(See special instructions, section 22.)

Adding machines.	File boxes, paper.	Phonographs and records.
Addressographs and supplies.	Forms, blank and printed.	Pins.
Arm rests.	Fuel tickets.	Postage.
Baggage checks, printed.	Glass pens.	Punches (not conductors' or baggagemen's).
Baggage scrip.	Hectographs.	Rubber bands.
Baggage storage checks.	Indexes.	Rubber stamps.
Bills of lading.	Ink for writing and drawing.	Rulers.
Binders.	Inkstands.	Ruling pens.
Blank books.	Invoice books.	Scrapbooks.
Blotters.	Legal cap paper.	Sealing wax.
Blotting paper.	Letter paper.	Seals.
Bristol board.	Manifold paper.	Shears.
Calculating machines.	Manifold pens.	Shipping orders.
Calendars.	Mileage books.	Shipping tags.
Carbon paper.	Mimeographs.	Shorthand notebooks.
Cardboard.	Mucilage.	Sponge cups.
Cards, blank and printed.	Mucilage brushes.	Sponges.
Circulars.	Neostyles.	Stamps, impression.
Computing tables.	Note paper.	Stylographs.
Conductors' hat checks.	Notices.	Tablets, blank and printed.
Copy (impression) books.	Numbering stamps.	Tape.
Copying brushes.	Oil paper.	Telegraph blanks.
Copying presses.	Paper.	Ticket stamps.
Crayons.	Paper baskets.	Tickets.
Cross-section books.	Paper clips.	Time-tables (employees).
Cross-section paper.	Paper cutters.	Tissue (impression) paper.
Cyclostiles.	Paper fasteners.	Tracing cloth.
Dating stamps and ribbons.	Paper files.	Tracing paper.
Delivery tickets.	Paper weights.	Twine.
Dictaphones.	Papyrographs.	Typewriters and ribbons.
Dictographs.	Parchment paper.	Wage tables.
Drawing paper.	Pencil sharpeners.	Wastebaskets.
Duplicators.	Pencils for writing and drawing.	Water colors.
Electric pens.	Penholders.	Water holders.
Envelopes.	Penracks.	Waybills.
Erasers, rubber and steel.	Pens for writing and drawing.	Wrapping paper.
Eyelet punches.		Writers for copying presses.
Eyelets.		

NOTE.—The cost of dictionaries, periodicals, technical books, etc., shall be included in appropriate superintendence accounts, and city directories and books of reference used by station agents shall be charged to account No. 376, "Station supplies and expenses."

411. OTHER EXPENSES.

This account shall include all expenses in connection with rail line transportation not properly chargeable to other transportation accounts.

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ITEMS OF EXPENSE.

(See special instructions, section 22.)

Amounts paid for switching empty cars otherwise than in connection with loaded movements or with the repairs to the equipment.
 Amounts paid on account of bills of lading issued on fraudulent receipts.
 Amounts paid to suspended transportation department employees covering periods of suspension.
 Compensation for property loss incident to failure to stop at station to pick up passengers.
 Demurrage accruing on a foreign line by reason of error of carrier's agent.
 Extra drayage due to agent's error in routing interline shipment.
 Fees paid arbitrators in wage disputes of transportation department employees.
 Loss of station funds by burglary, when not covered by insurance.
 Loss of train collections in holdup.
 Overcharges paid foreign lines on account of error of the carrier's agent in routing and billing.
 Pay and expenses of transportation department employees attending conferences with officers in connection with wage disputes.
 Payments for switching on account of cars not passing inspection at junction points.
 Penalties imposed under reciprocal demurrage laws for failure to furnish cars.
 "Penalty switching" payments on account of improper delivery of cars to other carriers.

412. OPERATING JOINT TRACKS AND FACILITIES—Dr.

This account shall include the carrier's proportion of the transportation expenses incurred by others in the operation of joint tracks, interlockers, and other facilities which are not provided for in account No. 390, "Operating joint yards and terminals—Dr."

NOTE A.—The purpose of this account is to show the amount accruing against the carrier for its proportion of the cost of operating tracks and facilities (other than at joint yards and terminals) operated by others and in the joint use of which the carrier participates. (See special instructions, section 9.)

NOTE B.—No proportions of items of expense chargeable by the operating carrier to accounts Nos. 392 to 402, inclusive, shall be included in this account.

413. OPERATING JOINT TRACKS AND FACILITIES—Cr.

This account shall include amounts chargeable to others as their proportions of transportation expenses incurred by the carrier in the operation of joint tracks, interlockers, and other facilities which are not provided for in account No. 391, "Operating joint yards and terminals—Cr."

NOTE A.—The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the cost of operating tracks and facilities (other than at joint yards and terminals) operated by the carrier and in the joint use of which others participate. (See special instructions, section 9.)

NOTE B.—No proportions of items of expense chargeable by the operating carrier to accounts Nos. 392 to 402, inclusive, shall be included in this account.

414. INSURANCE.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to Transportation—Rail Line; also premiums on fidelity bonds of employees whose pay is chargeable to Transportation—Rail Line. (See special instructions, section 18.)

NOTE.—The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to property reinsured by them.

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415. CLEARING WRECKS.

This account shall include the cost of clearing wrecks other than wrecks of work trains.

LABOR.—The wages of employees while engaged in connection with wrecking service, loading, and transferring contents of wrecked cars, building temporary tracks around wrecks, and removing such tracks.

TRAIN SERVICE.—The cost of train service in connection with replacing wrecked equipment upon the tracks and transporting such equipment to shops for repairs, including amounts paid to other companies for service of locomotives, derricks, and other equipment and for wages of crews in wrecking service.

OTHER SUPPLIES AND EXPENSES.—Payments for reloading or transferring freight, express, baggage, and mail; transferring passengers, and cost of provisions or board for men clearing up or watching at wrecks.

NOTE A.—Expenses of clearing wrecks of work trains shall be included in the cost of the work in connection with which the wrecked train was engaged.

NOTE B.—The cost of restoring roadbed and tracks to original condition after wrecks and the cost of repairing equipment damaged or destroyed by wrecks shall be charged to the appropriate accounts for maintenance of way and structures and maintenance of equipment.

NOTE C.—That proportion of payments to other companies for use of locomotives, derricks, and other equipment in wrecking service which represents rent shall be included in the income accounts.

416. DAMAGE TO PROPERTY.

This account shall include payments and expenses on account of damages to the property of others, whether by fire, collision, flood, or other cause, with the exception of payments and expenses on account of damage to property intrusted to the carrier for transportation, and for damage to stock on right of way. It shall include also fines or compensation paid for interference with the business of others, as by detention of vessels at draw-bridges, or by blocking streets.

This account shall include also the pay, office rent, and office, traveling, and other expenses of employees and others engaged as claim adjusters or as witnesses in lawsuits in connection with damage to property cases, or engaged in detection of thieves, notarial fees paid in connection with such cases; and payments for or repairs of damage to equipment of other carriers, or to property contained therein, such carriers having trackage rights upon or grade crossings over the carrier's tracks.

NOTE A.—Damage to live stock on right of way, and damage to freight and baggage intrusted for transportation, are provided for under accounts No. 417, "Damage to live stock on right of way"; No. 418, "Loss and damage—Freight"; and No. 419, "Loss and damage—Baggage."

NOTE B.—Expenses incident to suits growing out of damage to property claims, not otherwise provided for, shall be included in account No. 454, "Law expenses."

NOTE C.—The pay, office rent, and the traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account VII, General.

417. DAMAGE TO LIVE STOCK ON RIGHT OF WAY.

This account shall include payments on account of cattle and other live stock killed or injured while crossing or trespassing on the right of way, including cost of removing and burying the same.

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There shall be included in this account also the pay and the traveling, office, and other expenses of employees and others engaged as live-stock claim adjusters or engaged as witnesses in lawsuits in connection with damage to live stock on right of way; also notarial fees in connection with claims for damage to live stock on right of way.

NOTE A.—Expenses incident to suits growing out of live-stock claims, not otherwise provided for, shall be included in account No. 454, "Law expenses."

NOTE B.—The pay, office rent, and the traveling, office and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account VII, General.

418. LOSS AND DAMAGE—FREIGHT.

This account shall include payments and expenses on account of loss, destruction, damage, or delays to revenue freight shipments, including locomotives and cars transported as freight, express matter, milk shipments, and live stock, and expenses incurred on account of such payments; also expenses on account of loss, destruction, or damage to shipments of company material.

This account shall also include the cost of repacking and boxing damaged freight shipments; notarial fees in connection with freight claims; freight charges paid other carriers on lost, destroyed, or damaged shipments; pay, traveling, office, and other expenses of employees or others engaged as freight-claim adjusters, as witnesses in lawsuits in connection with freight-claim cases, in selling damaged and unclaimed shipments, or in detecting thieves; rent of warehouses used for storage of damaged and astray freight shipments, payments for storage of such shipments in public warehouses, and interest and penalties assessed for nonpayment of freight claims.

Amounts received from the sale of astray and damaged freight shall be credited to this account.

NOTE A.—Expenses incident to suits growing out of loss and damage (freight) claims, not otherwise provided for, shall be included in account No. 454, "Law expenses."

NOTE B.—The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account VII, General.

419. LOSS AND DAMAGE—BAGGAGE.

This account shall include payments for loss, destruction, damage, or delays to baggage and other personal property carried as baggage, and damage to personal apparel, also expenses on account of such loss or damage.

This account shall also include the cost of repacking and boxing damaged baggage; notarial fees in connection with baggage claims; baggage claim payments made to other carriers on lost, destroyed, damaged, or delayed shipments; pay, traveling, office, and other expenses of employees or others engaged as baggage claim adjusters, as witnesses in lawsuits in connection with baggage claim cases, in selling damaged and unclaimed baggage, or in detecting thieves; rent of warehouses used exclusively for storage of

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damaged and unclaimed baggage; payments for storage of such shipments in public warehouses, and interest and penalties assessed for nonpayment of claims.

Amounts received from the sale of astray and damaged baggage shall be credited to this account.

NOTE A.—Expenses incident to suits growing out of loss and damage (baggage), claims, not otherwise provided for, shall be included in account No. 454, "Law expenses."

NOTE B.—The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account VII, General.

NOTE C.—When a payment on account of injuries to passengers includes allowance for damage to personal apparel the damage allowance shall be included in this account when separable; otherwise in the appropriate personal injury account.

420. INJURIES TO PERSONS.

This account shall include expenses on account of injuries to persons which occur directly in connection with transportation service, including damages for ejectment of passengers.

Service of employees and others called in consultation in relation to claim adjustments; pay and expenses of employees while engaged as witnesses at inquests and lawsuits, and a suitable proportion of donations made to hospitals, shall be included in this account.

ITEMS OF EXPENSE.

(See special instructions, section 22.)

Artificial limbs.	Medical and surgical services.
Carriage fees.	Medical and surgical supplies.
Claim adjusters' and clerks' services.	Notarial fees.
Claim adjusters' office expenses.	Nursing.
Compensation for injuries or death.	Railway transportation.
Final judgments, including plaintiffs' court costs.	Undertakers' services.
Funeral expenses.	Undertakers' supplies.
Hospital attendance.	Witnesses' fees and expenses at inquests and lawsuits.

NOTE A.—Expenses incident to personal injury suits, not otherwise provided for, shall be included in account No. 454, "Law expenses."

NOTE B.—Amounts donated by a carrier to hospitals shall be distributed, 25 per cent to account No. 274, "Injuries to persons"; 25 per cent to account No. 332, "Injuries to persons"; and 50 per cent to account No. 420, "Injuries to persons."

NOTE C.—The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters, when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account VII, General.

NOTE D.—When a payment on account of injuries to persons includes allowance for damage to personal apparel, the damage allowance shall be included in account No. 419, "Loss and damage—Baggage," when separable; otherwise the entire payment shall be included in this account.

V. TRANSPORTATION—WATER LINE.¹

The primary accounts included in this general account are designed to show the expenses incurred in transporting persons and property by water lines.

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When the compensation for the use of floating equipment used in water-line operations includes rent, maintenance, and operation, the portion covering rent shall be charged to income account No. 539, "Rent for floating equipment," the portion covering maintenance shall be charged to the appropriate accounts for maintenance of equipment, and the portion covering operation shall be distributed to the primary accounts in this account. (See general instructions, section 1.)

431. OPERATION OF VESSELS.

This account shall include the cost of operating vessels in water-line service.

It shall include:

SUPERINTENDENCE.—The pay of vice-presidents and other officers directly in charge of or engaged in the operation of vessels; the pay of their assistants, clerks, and attendants; also the office, traveling, and other expenses of such officers and their employees.

WAGES OF CREWS.—The pay of captains, pilots, chief officers, mates, sailors, wireless telegraph operators, and other employees of the deck department; engineers, assistant engineers, electricians, oilers, firemen, coal passers, and all other employees of the engineers' department; and pursers, stewards, stewardesses, cooks, pantrymen, waiters, porters, and all other employees in the steward's department.

FUEL.—The cost, on board vessels (including the cost of trimming), of coal, oil, wood, and other fuel used for generating power, heat, or light.

LUBRICATION.—The cost of oil, grease, tallow, graphite, and other material furnished for lubricating purposes.

STATIONERY AND PRINTING.—The cost of stationery and printing used in connection with the operation of vessels. (For stationery and printing items, see expense account No. 410.)

FOOD SUPPLIES.—The cost of all food supplies furnished to the steward's department.

BAR SUPPLIES.—The cost of all wines, liquors, beers, ales, mineral waters, cigars, cigarettes, tobacco, and other bar supplies.

OTHER SUPPLIES AND DEPARTMENTAL EXPENSES.—The cost of supplies furnished to deck department; the incidental expenses of deck department employees; supplies, other than fuel and lubricants, furnished the engineer's department; water furnished to ships; and incidental expenses of engineer's department employees; supplies (other than food and bar) furnished to the steward's department; laundry for ships; and incidental expenses of steward's department employees.

LAY-UP EXPENSES.—The pay of crews and all other transportation expenses incurred on account of floating equipment when laid up and not undergoing repairs or betterment.

OTHER EXPENSES.—Expenses incident to the operation of vessels not otherwise provided for in this account.

NOTE A.—When officers enumerated above have supervision over other departments also, their pay, office and other expenses, as also the pay, office and other expenses of their assistants, clerks, and attendants, shall be equitably apportioned among the departments over which they have jurisdiction.

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NOTE B.—The rent for offices and other structures of minor importance used in the operation of vessels shall be included in this account. The rent for such property of major importance, which is ordinarily leased for a period of years, shall be included in income.

432. OPERATION OF TERMINALS.

This account shall include the expenses of the operation of terminals devoted to water-line operations. It shall include:

SUPERINTENDENCE.—The pay of vice-presidents and other officers in charge of or engaged in the operation of terminals; the pay of their assistants, clerks, and attendants; also the office, traveling, and other expenses of such officers and their employees; the salaries of agents, clerks, and attendants; the pay of port or station agents and their employees; the pay of wharf employees (except stevedores and other laborers provided for in the sub-heading "Stevedore and wharf labor"); agency and office expenses; expenses of telegraph and telephone service; postage, heat, light, power, water, ice, furniture, and other supplies (except stationery and printing); and incidental office and traveling expenses of port or station agents, their clerks, and attendants.

STATIONERY AND PRINTING.—The cost of stationery and printing used in connection with the operation of terminals. (For stationery and printing items see expense account No. 410.)

STEVEDORE AND WHARF LABOR.—The pay of stevedores, foremen, and long-shoremen when engaged directly in loading and unloading vessels; payments for labor in connection with handling, trimming, and stowing cargoes in vessels, including payments to companies and individuals engaged to handle cargoes by contract; and the pay of laborers on wharves when engaged in piling, tiering, and handling freight, and in unloading and loading baggage.

TUGS AND LIGHTERS—OPERATION.—Expenses in connection with the operation of tugs, lighters, and other floating equipment employed in terminal operations, including superintendence, wages, fuel, water, lubricants, food supplies, wharfage, and laborers engaged in handling lightered cargoes (except directly to or from ships).

SWITCHING, LIGHTERAGE, AND OTHER TRANSFERS.—Payments made to other companies or individuals for lightering, switching, or transferring freight; teaming; operating team transfers owned by the carrier; and other expenses in connection with the transfer of freight not provided for in the foregoing paragraph or in revenue account No. 121, "Freight."

LIGHT, HEAT, POWER, AND WATER.—The expenses of light, heat, power and water used in the operation of terminals (except in agents' or superintendents' offices), both when purchased and when produced by the carrier.

WHARF SUPPLIES AND EXPENSES.—The cost of supplies used by and expenses of wharf employees, such as meals furnished, advertising for wharf employees, cost or rent of equipment for watchmen, firemen, and police; uniforms for wharf employees; supplies for coopering, marking, and tagging freight; car standards, binders, etc.; and expenses not chargeable as repair items incident to keeping wharves in proper condition.

OTHER EXPENSES.—Expenses incident to the operation of terminals not otherwise provided for in this account, including harbor master's fees, quarantine expenses, customhouse and other port charges.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

NOTE A.—When officers enumerated above have supervision over other departments also, their pay, office and other expenses, as also the pay, office and other expenses of their assistants, clerks, and attendants, shall be equitably apportioned among the departments over which they have jurisdiction.

NOTE B.—The rent for offices and other structures of minor importance used in the operation of terminals shall be included in this account. The rent for such property of major importance, which is ordinarily leased for a period of years, shall be included in Income.

433. INCIDENTAL.

This account shall include incidental transportation expenses in connection with water-line operations. It shall include:

LOSS AND DAMAGE—FREIGHT.—Payments and expenses for loss, damage, delays, or destruction of freight (including company material); uncollectible freight charges paid other carriers on misrouted, lost, damaged, or destroyed shipments; cost of repacking and boxing damaged merchandise; pay and expenses of employees and others engaged as adjusters and in detecting thieves; and the pay and expenses of employees and others engaged as witnesses in lawsuits in connection with loss and damage cases. The net amount received from the sale of astray and damaged freight shall be credited to this account.

LOSS AND DAMAGE—BAGGAGE.—Payments and expenses for loss, damage, delays, or destruction of baggage or other personal property carried as baggage, and damage to personal apparel; the cost of repacking and boxing damaged baggage; and the pay and expenses of employees or others while engaged as adjusters and witnesses in lawsuits in cases involving loss or damage to baggage. The net amount received from the sale of astray and damaged baggage shall be credited to this account.

DAMAGE TO PROPERTY.—Payments and expenses on account of damages to or destruction of property of others, whether by fire, collision, or other cause, with the exception of payments and expenses on account of damage to property intrusted to the carrier for transportation; and pay and expenses of employees and others while engaged as adjusters and as witnesses in lawsuits arising out of damage to property.

INJURIES TO PERSONS.—Compensation and expenses incident to injuries to persons occurring directly in connection with the transportation operations of water lines; a proportion of the pay and expenses of physicians and surgeons; of claim adjusters and clerks; expenses of nurses and hospital attendants; medical and surgical supplies; artificial limbs; funeral expenses; railway, boat, and carriage fares for conveying injured persons and attendants; donations or contributions to hospitals in which employees are cared for; pay and expenses of employees and others while attending coroners' inquests, while engaged as witnesses in lawsuits in connection with personal injury cases, or when called in consultation in relation to personal injury claims.

INSURANCE.—Premiums paid, except reinsurance premiums, for insuring the carrier against loss through injuries to persons, or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to Transportation—Water Line; also premiums on fidelity bonds of employees whose pay is chargeable to that account. (See special instructions, section 18.)

NOTE A.—The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amount of all

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to property reinsured by them.

NOTE B.—Expenses not otherwise provided for in connection with the conduct of loss, damage, and personal injury suits shall be charged to account No. 454, "Law expenses," but the amount of final judgments, including plaintiffs' court costs, shall be included in this account.

NOTE C.—The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not directly assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged.

VI. MISCELLANEOUS OPERATIONS.

The primary accounts included in this general account are designed to show the expenses incurred in miscellaneous operations. (See general instructions, section 4.)

441. DINING AND BUFFET SERVICE.

This account shall include the cost of operating dining and buffet service on trains and transfer boats. It shall include:

SUPERINTENDENCE.—The pay of officers directly in charge of operating dining and buffet service; the pay of their assistants, clerks, and office attendants; also the office, traveling, and other expenses of such officers and their employees.

COMMISSARIAL EMPLOYERS.—The pay of storekeepers, assistant storekeepers, clerks, porters, and other employees in commissarial supply depots and storehouses.

STEWARDS.—The pay of stewards or conductors employed on dining and buffet cars and transfer boats.

COOKS AND WAITERS.—The pay of cooks, waiters, and assistants on dining and buffet cars and transfer boats.

FUEL AND SUPPLIES.—The cost of fuel for cooking purposes; of provisions, such as meats, groceries, vegetables, fish, table waters, ice, etc.; bar supplies, such as wines, liquors, beers, ales, etc.; cost of licenses; and cost of cigars, cigarettes, and tobacco.

LAUNDRY.—Expenses for laundry work, such as laundering tablecloths, napkins, aprons, etc.

STATIONERY AND PRINTING.—The cost of stationery and printing used in connection with dining and buffet service.

OTHER EXPENSES.—The cost of flowers and plants; cleaning the interior of cars; rent and cost of supplies for rooms furnished for dining and buffet service employees; and such other expenses in connection with the operation of dining and buffet service as are not provided for elsewhere.

NOTE.—When officers have immediate supervision over dining and buffet service and other operations their pay, office and other expenses, as also the pay, office and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

442. HOTELS AND RESTAURANTS.

This account shall include the cost of operating hotels, restaurants, and lunch counters when the cost of the operated property is includible in the road and equipment accounts. It shall include:

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

SUPERINTENDENCE.—The pay of officers directly in charge of operating hotels, restaurants, and lunch counters; pay of their clerks and office attendants; also the office, traveling and other expenses of such officers.

EMPLOYEES.—The pay of stewards, hotel keepers, storekeepers, checkers, linen clerks, butchers, chefs, cooks, kitchen help, maids, porters, elevator men, call boys, hat and cloak attendants, waiters, waitresses, laundresses, engineers, firemen, and other employees engaged in operating hotels, restaurants, and lunch counter.

FUEL AND SUPPLIES.—The cost of fuel for cooking and heating purposes; provisions, such as meats, groceries, vegetables, fish, table waters, ice, etc.; bar supplies, such as wines, liquors, beers, ales, etc.; the cost of liquor licenses; the cost of tobacco, cigars, cigarettes, etc.; and miscellaneous supplies for operating the service.

STATIONERY AND PRINTING.—The cost of stationery and printing used in connection with the operation of hotels and restaurants.

OTHER EXPENSES.—The cost of lighting, and other items of expense not otherwise provided for in this account.

NOTE.—When officers have immediate supervision over hotels, restaurants, and lunch counters and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

443. GRAIN ELEVATORS.

This account shall include the cost of operating grain elevators other than small elevators which are classed as station facilities. It shall include:

SUPERINTENDENCE.—The pay of officers directly in charge of grain-elevator service; the pay of their assistants, clerks, and office attendants; also the office, traveling, and other expenses of such officers and their employees.

EMPLOYEES.—The pay of engineers, firemen, foremen, machine men, oilers, millwrights, carpenters, trimmers, weighers, spout men, sweepers, laborers, watchmen, and all other employees engaged in operating grain elevators.

FUEL AND SUPPLIES.—The cost of fuel for power, heating, and lighting plants; power for heating, lighting, and operating machinery; and water, ice, oil, waste, and other supplies for operating such property.

STATIONERY AND PRINTING.—The cost of stationery and printing used in connection with the operation of grain elevators.

OTHER EXPENSES.—The cost of grain used to make up shortage in elevators; stationery and printing; rent for and repairs of rented offices; and other operating expenses not otherwise provided for in this account.

NOTE.—When officers have immediate supervision over grain elevators and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

444. STOCKYARDS.

This account shall include the cost of operating stockyards other than small stockyards or stock pens at stations, which are classed as station facilities. It shall include:

SUPERINTENDENCE.—The pay of officers directly in charge of stockyard operations; the pay of their assistants, clerks, and office attendants; also the office, traveling, and other expenses of such officers and employees.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

EMPLOYEES.—The pay of foremen, subforemen, yardmen, tallymen, weigh-masters, stock loaders, drovers, drivers, engineers, firemen, shovelers, watchmen, policemen, and other stockyard employees.

FUEL AND SUPPLIES.—The cost of fuel, gas, electric current, water; hay, grain, oats, and other feed for stock; straw and other bedding material; and other stockyard supplies.

STATIONERY AND PRINTING.—The cost of stationery and printing used in connection with the operation of stockyards.

OTHER EXPENSES.—Payments for loss or damage to live stock, and other expenses not otherwise provided for in this account.

NOTE.—When officers have immediate supervision over stockyard service and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

445. PRODUCING POWER SOLD.

This account shall include the cost of operating power plants, substations, transmission systems and distribution system, for the production of power sold.

The proportion of the cost assignable to the production of the power sold only shall be included in this account. (See special instructions, sections 12, 13, and 14.)

This account shall include:

SUPERINTENDENCE.—The pay of officers directly in charge of power plants, substations, transmission systems and distribution systems; pay of their clerks and office attendants; also the office, traveling, and other expenses of such officers and employees.

EMPLOYEES.—The pay of foremen, subforemen, engineers, firemen, electricians, system operators or load dispatchers, dynamo tenders, foremen regulators, regulators and assistants, switchboard men, brush men, oilers, wipers, wiremen, and others engaged in the operation of power plant and substation apparatus and devices.

FUEL.—The cost of fuel used in the production of power and for heating power plants.

OTHER SUPPLIES.—The cost of water, lubricants, and other power plant and substation supplies.

STATIONERY AND PRINTING.—The cost of stationery and printing used in connection with producing power sold.

OTHER EXPENSES.—The items of expense not otherwise provided for in this account.

NOTE.—When officers have immediate supervision over producing power sold and other operations, their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

446. OTHER MISCELLANEOUS OPERATIONS.

This account shall include the operations of facilities such as cold-storage plants; coal-storage plants; cotton-compress plants; wood-preserving plants; ice-supply plants, etc., when the cost of the facilities is includible in the road and equipment accounts and they are operated for the benefit of the carrier and others. The proportion assignable to the commercial operations only shall be included in this account.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS

NOTE.—When officers have immediate supervision over other miscellaneous service and other operations, their pay, office, and other expenses, as also the pay, office and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

VII. GENERAL.

The primary accounts included in this general account are designed to show the expenses incurred of a general character not chargeable to the preceding general accounts, such as those for general administration and accounting, and those of the financial, law, real estate, tax, and claim departments.

The accounts for general expenses shall be kept in such manner as to show separately, by primary accounts, the expenses directly assignable to water-line operations.

NOTE.—Directly assignable organization and administration expenses incident to investments in leased or nonoperating physical property, and in stocks, bonds, and other securities, are chargeable to income account No. 549, "Maintenance of investment organization."

451. SALARIES AND EXPENSES OF GENERAL OFFICERS.

This account shall include:

SALARIES.—The pay of all general officers not otherwise provided for, including salaries and fees of receivers and commissions paid to general officers in lieu of salaries.

LIST OF OFFICERS.

(See special instructions, section 22.)

Chairman of the board.	Auditor of passenger accounts.
President.	Assistant auditor of passenger accounts.
Assistant to president.	Auditor of freight accounts.
Vice president.	Assistant auditor of freight accounts.
Assistant to vice president.	Auditor of station accounts.
Secretary.	Auditor of disbursements.
Assistant secretary.	Assistant auditor of disbursements.
Transfer agent.	Auditor of miscellaneous accounts.
Treasurer.	Assistant auditor of miscellaneous accounts.
Assistant treasurer.	Auditor of coal and coke accounts.
Local treasurer.	Freight claim agent.
Comptroller.	Assistant freight claim agent.
Assistant comptroller.	General accountant.
General auditor.	Real-estate agent.
Auditor.	Assistant real-estate agent.
Assistant auditor.	Tax commissioner.
Auditor of revenues.	

EXPENSES.—The traveling and other expenses of officers whose pay is included in this account, including supplies for business cars used by them, cost of running official trains for them, and cost of membership fees and dues in railway and other associations.

NOTE A.—When officers' duties are restricted to a single department, their salaries and expenses shall be charged to that department in the accounts for superintendence or for law expenses, as may be appropriate. When officers have immediate supervision over more than one operating department, their salaries and expenses shall be apportioned equally among the departments over which they have jurisdiction.

NOTE B.—The pay and expenses of the purchasing agent, assistant purchasing agent, assistant to purchasing agent, general storekeeper, division storekeeper, their clerks and attendants, shall be charged through clearing accounts "Material store expenses" and "Stationery store expenses," or material account "Fuel," as may be appropriate.

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452. SALARIES AND EXPENSES OF CLERKS AND ATTENDANTS.

This account shall include the pay and expenses of clerks and attendants of the officers whose salaries are includible in account No. 451, "Salaries and expenses of general officers."

PAY OF CLERKS.—The pay of persons employed in accounting and clerical service.

LIST OF EMPLOYEES.

(See special instructions, section 22.)

Cashiers.	Mail clerks.	Stenographers.
Chief accountants.	Paymasters.	Ticket receivers.
Chief clerks.	Postmasters.	Traveling accountants.
Clerks.	Route agents.	Traveling auditors.
Inspectors.	Special agents.	

PAY OF ATTENDANTS.—The pay of persons employed in attendance at general offices and on business cars.

LIST OF EMPLOYEES.

(See special instructions, section 22.)

Bank messengers.	Firemen.	Superintendent of general office building.
Chauffeurs.	Janitors.	Telegraph operators.
Cleaners.	Messengers.	Telephone operators.
Cooks.	Porters.	Ushers.
Drivers of service wagons.	Pump men.	Waiters.
Elevator operators.	Stablemen.	Watchmen.
Engineers.		

EXPENSES.—The traveling and other expenses of employees designated above, including the cost of supplies for business cars and cost of running official trains for them.

453. GENERAL OFFICE SUPPLIES AND EXPENSES.

This account shall include the office expenses of officers designated in account No. 451, "Salaries and expenses of general officers."

ITEMS OF EXPENSE AND SUPPLIES.

(See special instructions, section 22.)

Alterations of partitions and fixtures in general offices.	Heating.	Reports of commercial standings.
Atlases and maps.	Horse keep.	Service of automobiles.
Books for office use.	Lighting.	Telegraph service.
Cable tolls.	Local messenger service.	Telephone service.
Cleaning.	Periodicals and newspapers.	Watchmen service.
Express charges.	Rent of general offices.	
Furniture repairs and renewals.	Rent of tabulating machines.	
	Repairs of rented general offices.	

NOTE.—The proportion of general office expenses occasioned by the law department shall be included in account No. 454, "Law expenses."

454. LAW EXPENSES.

This account shall include the pay and the office and other expenses, when not provided for elsewhere, of officers and employees of the law department, the cost of suits, and the payments of special law fees.

LIST OF OFFICERS AND EMPLOYEES.

(See special instructions, section 22.)

General counsel.	Commerce agent.	Law agent.
General solicitor.	Special counsel.	Clerks.
Assistant counsel.	Statutory attorney.	Office attendants.
Solicitor.	Attorney.	
Commerce counsel.	Counsel.	

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ITEMS OF EXPENSE AND SUPPLIES.
(See special instructions, section 22.)

Arbitrators' services in settlement of disputed questions.	Membership fees and dues in associations to protect carriers against litigation in respect to patents.
Cost of taking depositions.	Membership fees and dues in law associations.
Cost of testimony.	Notarial fees not provided for elsewhere.
Cost of suits.	Office expenses.
Court bonds.	Printing of briefs, testimony, and reports.
Court expenses.	Proportion of general office expenses.
Drawing and recording agreements as to trackage rights, etc.	Rent of offices.
Express charges.	Special fees.
Fees and retainers of attorneys (not regular employees).	Telegraph service.
Law books.	Telephone service.
Legal forms.	Traveling expenses.
Legal reports.	Witness fees not provided for elsewhere.

455. INSURANCE.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss, through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to general account VII, General; also premiums on fidelity bonds of officers and employees whose pay is chargeable to general account VII, General. (See special instructions, section 18.)

NOTE.—The premiums paid by the carrier to its insurance fund shall be credited to an insurance account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to the property reinsured by them.

456. RELIEF DEPARTMENT EXPENSES.

This account shall include salaries and expenses incurred in connection with conducting relief departments; also contributions to such departments.

457. PENSIONS.

This account shall include pensions or gratuities paid out of the carrier's funds to retired employees or their heirs and the expenses solely in connection therewith.

458. STATIONERY AND PRINTING.

This account shall include the cost of stationery and printing used in general offices and not chargeable to other accounts, including the cost of printing annual reports,

STATIONERY AND PRINTING ITEMS.
(See special instructions, section 22.)

Adding machines.	Cardboard.	Drawing paper.
Addressographs and supplies.	Cards, blank and printed.	Duplicators.
Arm rests.	Circulars.	Electric pens.
Binders.	Computing tables.	Envelopes.
Blank books.	Copy (impression) books.	Erasers, rubber and steel.
Blotters.	Copying brushes.	Eyelet punches.
Blotting paper.	Copying presses.	Eyelets.
Bristol board.	Crayons.	File boxes, paper.
Calculating machines.	Cyclostyles.	Forms, blank and printed.
Calendars.	Dating stamps and ribbons.	Glass pens.
Carbon paper.	Dictaphones.	Hectographs.
	Dictographs.	Indexes.

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Ink for writing and drawing.	Papyrographs.	Shears.
Inkstands.	Parchment paper.	Shipping tags.
Invoice books.	Passes.	Shorthand notebooks.
Legal cap paper.	Pay checks.	Sponge cups.
Letter paper.	Pencil sharpeners.	Sponges.
Manifold paper.	Pencils for writing and drawing.	Stamps.
Manifold pens.	Penholders.	Stamps, impression.
Mimeographs.	Penracks.	Stylographs.
Mucilage.	Pens for writing and drawing.	Tablets, blank and printed.
Mucilage brushes.	Phonographs and records.	Tape.
Neostyles.	Pins.	Telegraph blanks.
Note paper.	Postage.	Tissue (impression) paper.
Notices.	Punches (not conductors' or baggagemen's).	Tracing cloth.
Numbering stamps.	Rubber bands.	Tracing paper.
Oil paper.	Rubber stamps.	Twine.
Paper.	Rulers.	Typewriters and ribbons.
Paper baskets.	Ruling pens.	Wage tables.
Paper clips.	Scrapbooks.	Wastebaskets.
Paper cutters.	Sealing wax.	Water colors.
Paper fasteners.	Seals.	Water holders.
Paper files.		Wrapping paper.
Paper weights.		Wringers for copying presses.

NOTE A.—The cost of printing briefs, legal forms, testimony, reports, etc., for the law department is chargeable to account No. 454, "Law expenses."

NOTE B.—The cost of printing bonds, etc., in connection with the carrier's funded debt shall be included in balance-sheet account No. 725, "Discount on funded debt."

459. VALUATION EXPENSES.

This account shall include expenses incident to the ascertainment (in accordance with the Act to Regulate Commerce as amended March 1, 1913, or with other Federal or State requirements) of the value of property owned or used by the carrier, such expenses including pay, and office, traveling, and other expenses of officers specially employed or assigned to such work, and of their assistants, clerks, and attendants, and the cost of stationery and printing, and of engineering supplies consumed.

NOTE.—No charge shall be made to this account for the salaries of officers or of their clerks and attendants for incidental services in connection with valuation work; but special office, clerical, traveling, and incidental expenses incurred by these officers on account of such work shall be included as a part of the cost of the work.

460. OTHER EXPENSES.

This account shall include incidental general expenses which are not properly chargeable to any of the foregoing accounts.

ITEMS OF EXPENSE.

(See special instructions, section 22.)

Cost of draping buildings.
 Cost of publishing annual reports in newspapers, and other corporate and financial notices of general character.
 Cost of publishing notices of stockholders' meetings and of election of directors.
 Donations on account of catastrophes, epidemics, etc.
 Donations to local fire departments.
 Donations to Y. M. C. A., and similar institutions.
 Exchange on checks cashed or deposited.
 Exchange on drafts bought.
 Fees and expenses paid to directors and trustees.
 Loss through payment of wages to a wrong person.
 Penalties assessed for nonpayment of claims for overcharges.

461. GENERAL JOINT FACILITIES—DR.

This account shall include the carrier's proportion of general expenses in-

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curring by others incident to maintaining and operating tracks, yards, terminals, and other facilities used jointly.

NOTE.—The purpose of this account is to show the amount accruing against the carrier for its proportion of the expense of general administration of tracks, yards, terminals, and other facilities administered by others, and in the joint use of which the carrier participates. (See special instructions, section 9.)

462. GENERAL JOINT FACILITIES—CR.

This account shall include amounts chargeable to others as their proportions of general expenses incurred by the carrier incident to maintaining and operating tracks, yards, terminals, and other facilities used jointly.

NOTE.—The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the expense of general administration of tracks, yards, terminals, and other facilities administered by the carrier, and in the joint use of which others participate. (See special instructions, section 9.)

VIII. TRANSPORTATION FOR INVESTMENT—CR.

This account shall include fair allowances representing the expense to the carrier of transporting, on transportation trains, men engaged in and material for construction.

Amounts credited to this account shall be concurrently charged to the appropriate property investment accounts.

NOTE CAREFULLY THE GENERAL AND SPECIAL INSTRUCTIONS |

INTERSTATE COMMERCE COMMISSION, WASHINGTON

In the Matter of a Uniform System of Accounts to Be Kept by Steam Roads.

At a Session of the INTERSTATE COMMERCE COMMISSION, Division 4, held at its office in Washington, D. C., on the 26th day of April, A.D. 1921.

The matter of modifying the Classification of Operating Revenues and Operating Expenses of Steam Roads, Issue of 1914, by the addition thereto of two operating expense accounts and the amendment of certain special instructions being under consideration:

It is ordered, That section 19 of the special instructions as it now appears on page 37 of the Classification of Operating Revenues and Operating Expenses of Steam Roads, Issue of 1914, is hereby cancelled, and the following is prescribed as section 19 of the special instructions:

19. EQUALIZATION OF EXPENSES.—When carriers adopt a budget or estimate of expenditures for maintenance of fixed improvements or equipment for the year, such authorized estimates may be equalized by division into twelve equal parts, if for a full year, or into a number of equal parts corresponding to the number of months remaining in the year after the adoption of the maintenance program. If advantage is taken of the optional accounting prescribed in this section, the appropriate primary accounts chargeable with the actual expenditures and the equalization account combined shall contain, each month, amounts aggregating one of such equal parts.

Adequate records shall be kept to fully support the estimates for expenditures for maintenance which form the basis of entries to account 280, "Equalization—Way and Structures," and 338, "Equalization—Equipment," and these records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission. The equalization accounts are provided in order that their use may show, for each month, the adjustment necessary between actual expenditures included in the other primary accounts and the equal monthly proportion of the estimated or authorized maintenance expenses for the period.

If the actual monthly expenditures do not aggregate a sum equivalent to the equal monthly proportion of the estimated cost of maintaining such way and structures and equipment as are provided for in the budget, an amount sufficient to make up the difference shall be charged to the appropriate equalization account. If the actual expenditures are more than the equal monthly proportion of the estimate, the difference shall be credited to the equalization account. Concurrently, a credit, or debit, as may be appropriate, shall be

made to a ledger account styled, "Equalization reserve—Way and Structures," or "Equalization reserve—Equipment," classable under account 727, "Other unadjusted debits," if the balance be a debit, or account 778, "Other unadjusted credits," if the balance be a credit.

The accounts, "Equalization reserve—Way and Structures," and "Equalization reserve—Equipment," shall be cleared annually unless at the close of the year a credit balance remains therein due to the noncompletion of maintenance work because of adverse labor conditions, nonreceipt of material, or similar reasons, in which case such part of the balance as is applicable to unfinished work may be carried over to the following year. The carrier shall indicate in its annual report to the Commission the amounts constituting such balance and the reasons therefor. Under no circumstances shall a debit balance be carried over the year. Where a credit balance is carried forward it shall be shown separately as one of the items comprising the detail of account 778 in the schedule provided therefor. Balances in reserve accounts carried forward to the succeeding year shall not be merged with equalization reserves for the subsequent period. The equalization accounts for each year shall be kept separate.

Carriers desiring to make use of the equalization accounts shall file with the Bureau of Accounts of the Commission, each year, before making use of them, a statement of the maintenance program which is to be equalized in the accounts of that year. If conditions arise which necessitate changes in the maintenance program involving changes in the equal monthly charges to operating expenses, a full statement of the facts as to the changes shall be filed with the Commission not later than thirty days after the changes are made.

Estimates of expenses, other than under general accounts I and II, on account of personal injury or loss and damage liability, for stationery and printing, and for advertising, may be equalized in the monthly accounts for the year by use of the regular primary accounts. If, on account of claims for personal injury or loss and damage being unsettled at the close of the year, the accounts for such expenses are not adjusted, the balances carried forward in the operating reserve account shall be analyzed as provided for in section 20 of these instructions.

Charges for stationery and printing, and for advertising, for a fiscal year shall be adjusted to the actual expenses.

It is further ordered, That accounts 280, "Equalization—Way and Structures," and 338, "Equalization—Equipment," with the texts pertaining thereto, as follows, be prescribed as a part of the Classification of Operating Revenues and Operating Expenses of Steam Roads, Issue of 1914:

Account 280, "EQUALIZATION—WAY AND STRUCTURES."

This account, the use of which is optional, shall include an adjustment of the monthly proportion of the estimated or authorized maintenance expenses for the year, as provided for in section 19 of the special instructions, the amount included herein being the difference between actual expenditures as reflected in other primary accounts under this general account, and the equal monthly proportion of the estimate for the period. Concurrently, a credit, or debit, as may be appropriate, shall be made to a ledger account styled, "Equalization reserve—Way and Structures."

Account 338, "EQUALIZATION—EQUIPMENT."

This account, the use of which is optional, shall include an adjustment of the monthly proportion of the estimated or authorized maintenance expenses

for the year, as provided for in section 19 of the special instructions, the amount included herein being the difference between actual expenditures as reflected in other primary accounts under this general account, and the equal monthly proportion of the estimate for the period. Concurrently, a credit, or debit, as may be appropriate, shall be made to a ledger account styled, "Equalization reserve—Equipment."

It is further ordered, That this order shall become effective on January 1, 1921.

By the Commission, Division 4.

[SEAL.]

GEORGE B. MCGINTY,
Secretary.

APPENDIX C

CLASSIFICATION
OF
INVESTMENT IN ROAD AND EQUIPMENT
OF
STEAM ROADS
PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION
IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE

ISSUE OF 1914

Effective on July 1, 1914

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ORDER

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C. on the 19th day of May, A. D. 1914.

The subject of a Uniform System of Accounts to be prescribed for and kept by carriers being under consideration, the following order was entered:

It is ordered, That the Classification of Investment in Road and Equipment of Steam Roads and the text pertaining thereto, embodied in printed form to be hereafter known as Issue of 1914, a copy of which is now before this Commission, be, and the same is hereby, approved; that a copy thereof duly authenticated by the Secretary of the Commission be filed in its archives, and a second copy thereof, in like manner authenticated, in the office of the Division of Carriers' Accounts; and that each of said copies so authenticated and filed shall be deemed an original record thereof.

It is further ordered, That the said Classification of Investment in Road and Equipment of Steam Roads with the text pertaining thereto be, and is hereby, prescribed for the use of carriers by rail (exclusive of electric railways) subject to the provision of the Act to Regulate Commerce as amended, in the keeping and recording of their accounts of investment in road and equipment; that each and every such carrier and each and every receiver or operating trustee of any such carrier be required to keep all said accounts in conformity therewith; and that a copy of said issue be sent to each and every such carrier and to each and every receiver or operating trustee of any such carrier.

It is further ordered, That any such carrier or any receiver or operating trustee of any such carrier may subdivide any primary account established in said issue, or may make assignment of the amount included in any such primary account to operating divisions, to its individual lines, or to States: *Provided, however,* That such subprimary accounts set up or such assignments made by any such carrier or by any receiver or operating trustee of any such carrier do not impair the integrity of the accounts hereby prescribed; and *provided also* that a list of such subprimary accounts set up or such assignments made be first filed in the office of the Division of Carriers' Accounts, subject to disapproval by the Commission.

It is further ordered, That in order that the basis of comparison with previous years be not destroyed, any such carrier or any receiver

or operating trustee of any such carrier may, during the twelve months ending June 30, 1915, keep and maintain, in addition to the accounts of investment in road and equipment hereby prescribed, such portion or portions of its present accounts with respect to items of investment in road and equipment as may be deemed desirable by any such carrier or by any receiver or operating trustee thereof, for the purpose of such comparison; or, during the same period, may maintain such groupings of the primary accounts hereby prescribed as may be desired for that purpose.

It is further ordered, That, unless otherwise ordered, any such carrier or any receiver or operating trustee of any such carrier may keep any temporary or experimental accounts for investment the purpose of which shall be to develop economies in construction: *Provided, however*, That such temporary or experimental accounts shall not impair the integrity of any general or primary account hereby prescribed.

It is further ordered, That July 1, 1914, be, and is hereby, fixed as the date on which said issue of the Classification of Investment in Road and Equipment shall become effective.

By the Commission.

[SEAL.]

GEORGE B. MCGINTY,
Secretary.

INTRODUCTORY LETTER

INTERSTATE COMMERCE COMMISSION,
DIVISION OF CARRIERS' ACCOUNTS,
Washington, May 19, 1914.

TO ACCOUNTING OFFICERS OF STEAM RAILWAYS:

This Classification of Investment in Road and Equipment supersedes the Classification of Expenditures for Road and Equipment, First Revised Issue, effective July 1, 1907, with the Supplement thereto, effective July 1, 1908, and also the Classification of Expenditures for Additions and Betterments, First Revised Issue, effective July 1, 1910. It also supersedes conflicting instructions contained in Accounting Bulletin No. 8.

The plan of merging the accounts of expenditures for additions and betterments with the accounts for investment in road and equipment provides that carriers' records shall be kept in such form that the expenditures for additions and betterments may be reported separately from those for original road, original equipment, and road extensions.

Distinct accounts have been provided for the investment in several classes of buildings which, under the former classification, were included in the account "Miscellaneous structures."

The general and special instructions contain a comprehensive statement of the principles underlying the classification, indicating generally the application of the accounting rules. The attention of accounting officers is called to the importance of requiring all employees who are assigned to accounting work in connection with investment in road and equipment to familiarize themselves thoroughly with these instructions.

In the preparation of the revision of the accounting rules contained in this and other classifications for steam roads, which are concurrently issued, the Commission has had the cooperation of the Association of American Railway Accounting Officers, and of its Standing Committee on Corporate, Fiscal, and General Accounts.

The classification, in tentative form, was presented for criticism and suggestions to the chief accounting officer of each railway and to the railway commissions of the several States. All suggestions received from such parties have been given careful consideration and many of them have been incorporated in the classification as here issued.

FRED W. SWENEY,
Chief Examiner of Accounts.

GENERAL INSTRUCTIONS

The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts provided herein for investment in road and equipment. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to permit ready identification, and the detail records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission.

1. ACCOUNTS FOR INVESTMENT IN ROAD AND EQUIPMENT.—The accounts prescribed in this classification are designed to show the investment of the carrier in property devoted to transportation service. The carrier's investment in physical property other than transportation property is provided for in balance-sheet account No. 705, "Miscellaneous physical property." *The carrier* means the accounting carrier, except when otherwise specifically indicated. The carrier's records shall be kept in such form that expenditures for additions and betterments may be reported separately from those for original road, original

equipment, and road extensions, and shall show separately the expenditures under each authorized addition and betterment project. (See balance-sheet account No. 701, "Investment in road and equipment," and No. 702, "Improvements on leased railway property.")

2. ITEMS TO BE CHARGED.—To these accounts shall be charged the cost of original road, original equipment, road extensions, additions, and betterments; also the estimated values at time of acquisition of right of way and other road and equipment property donated to the carrier, except that unless authorized by the Commission no charges shall be made to these accounts after July 1, 1914, for donations received previously to that date. Applications to the Commission for including such items in the road and equipment accounts shall contain full information concerning the source and character of the donations.

If the total cost of additions and betterments to any class of equipment, or any class of fixed improvements (except tracks), under a general plan, considered as a whole, is less than \$200, the option may be exercised of charging the amount expended to the appropriate account in Operating Expenses. This rule is not to be construed as authorizing the parceling of expenditures in order to bring them within this limit.

Construction includes all processes connected with the acquisition and construction of original road and equipment, road extensions, additions, and betterments.

Original road means the land and fixed improvements provided and arranged for in the original plan for the construction of a new road. When the acquisition of any such fixed improvements under the original plan is deferred, such improvements, when acquired, shall be considered as additions. Original road shall not be construed to include fixed improvements which, under the original plans for the road, it is proposed to substitute at some time subsequent to the beginning of commercial operations for the improvements originally installed and used for transportation operations, such as steel bridges substituted for trestles.

Original equipment means equipment provided and arranged for under the original plan for the construction of a new road. When the acquisition of such equipment under the original plan is deferred, such equipment, when acquired, shall be considered as additions.

Road extensions means the land and fixed improvements provided and arranged for in the original plan for the construction of extensions and of existing main lines, additional branch lines, and extensions of existing branch lines. When the acquisition of any such fixed improvements under the original plan is deferred, such improvements, when acquired, shall be treated as additions. Road extensions shall not be construed to include fixed improvements which under the original plans for the extensions it is proposed to substitute, at some time subsequent to the beginning of commercial operations, for the improvements originally installed and used for transportation in connection with commercial operations, such as steel bridges substituted for trestles.

Equipment means the rolling stock, boats, highway vehicles, horses, and harness devoted to transportation service, the cost of which is includible in the equipment accounts.

Fixed improvements means structures which are fixed as to location, such as tunnels, bridges, buildings, earthworks, etc.

Additions are additional facilities, such as additional equipment, tracks (including timber and mine tracks), buildings, bridges, and other structures; additions to such facilities, such as extensions to tracks, buildings, and other structures; additional ties laid in existing tracks; and additional devices applied to facilities,

such as air brakes applied to cars not previously thus equipped. When property, such as a section of road, track, unit of equipment, shop or power plant machine, building, or other structure, is retired from service and replaced with property of like purpose, the newly acquired property shall, for the purpose of this classification, be considered as an addition, and the cost thereof accounted for accordingly. (See section 7.) If, however, the property retired and replaced is of minor importance, such as a small roadway building or other structure, and is replaced in kind without betterment, the cost of the replacement shall be charged to Operating Expenses, and no adjustment made in the road and equipment accounts.

Betterments are improvements of existing facilities through the substitution of superior parts for inferior parts retired, such as the substitution of steel-tired wheels for cast wheels under equipment, the application of heavier rail in tracks, and the strengthening of bridges by the substitution of heavier members. The cost chargeable to the accounts of this classification is the excess cost of new parts over the cost at current prices of new parts of the kind retired. (See section 12.)

Costs shall be actual money costs to the carrier. Where a portion of the funds expended by the carrier has been obtained through donations by States, municipalities, individuals, or others, no deductions on account of such donations shall be made in stating the costs. Contributions for joint expenditures should not be considered as donations. The carrier's proportion only of the cost of joint projects, such as construction of jointly owned tracks and elimination of highway crossings at joint expense, shall be included in these accounts.

3. BASIS OF CHARGES.—The charges of the accounts of this classification shall be based upon the cost of the property acquired. When the consideration given for the purchase or the improvement of property the cost of which is chargeable to the accounts of this classification is other than money, the money value of the consideration at the time of the transaction shall be charged to these accounts, and the actual consideration shall be described in the record in sufficient detail to identify it. The carrier shall be prepared to furnish the Commission, upon demand, the particulars of its determination of the actual cash value of the consideration, if other than money.

4. COST OF CONSTRUCTION.—It is intended that the accounts for fixed improvements and equipment shall include the cost of construction of such property. The cost of construction shall include the cost of labor, materials and supplies, work-train service, special machine service, transportation, contract work, protection from casualties, injuries and damages, privileges, and other analogous elements in connection with such work. The several items of cost here referred to are defined as follows:

(a) *Cost of labor* includes the amount paid for labor expended by the carrier's own employees, including the cost of labor expended for preliminary work, such as sinking test holes or making soundings for tunnels, grading, buildings, and other structures; and cost of labor expended in laying and taking up tracks for temporary use in construction, except the cost of labor expended on tracks provided for the protection of traffic during the progress of addition and betterment work. Office expenses and traveling and other personal expenses of employees, when borne by the carrier, shall be considered a part of the cost of the labor, as shall also the cost of fidelity bonds and employers' liability insurance premiums. When officers or employees are specially assigned to construction work, their pay and their traveling and incidental expenses, while thus engaged shall be included in the cost of the work. No charge shall be made against road and equipment accounts for the

pay of officers who merely render services incidentally in connection with extensions, additions, or betterments, although traveling and incidental expenses incurred by such officers solely on account of such work shall be included in the account to which the cost of the work is chargeable.

(b) *Cost of materials and supplies* includes the purchase price of materials and supplies, including small tools, at the point of free delivery, plus the costs of inspection and loading assumed by the carrier; also a suitable proportion of store expenses. (See special instructions for operating expense accounts, sections 16 and 17.) In calculating the cost of materials used, proper allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc.; for the value of the material recovered from temporary tracks, scaffolding, cofferdams, and other temporary structures used in construction; and for the value of small tools recovered and used for other purposes.

(c) *Cost of work train service* includes amounts paid to others for rent and maintenance of the equipment used; cost of labor of enginemen, trainmen, and enginehouse men, including the wages of engine crews and train crews held in readiness for such service; and the cost of fuel and other supplies consumed in connection with the operation of work trains. It shall also include the cost of maintaining the carrier's own equipment while used in construction service and a fair rent for such equipment while so used. Amounts charged for rent of such equipment used in construction shall concurrently be credited to the appropriate income account for hire of equipment. No "rent" or return upon the investment in such equipment shall be charged for the use of equipment acquired with the proceeds of securities sold, when the interest upon such securities is charged to the accounts of this classification.

(d) *Cost of special machine service* includes the cost of labor expended and of materials and supplies consumed in maintaining and operating steam shovels, scrapers, rail unloaders, ballast unloaders, pile drivers, dredges, ditchers, weed burners, and other labor-saving machines; also rents paid for use of such machines. (See Note A under account No. 37, "Roadway machines," and text of general account II, Equipment, seventh paragraph.)

(e) *Cost of transportation* includes the amounts paid to other companies or individuals for the transportation of men, materials and supplies, special machine outfits, appliances, and tools in connection with construction. Freight charges paid foreign lines for the transportation of construction material to the carrier's line shall be included, so far as practicable, as a part of the cost of the material, when such charges are borne by the carrier. A fair allowance representing the expense to the carrier of such transportation in transportation service trains over the carrier's own line also shall be included. When the cost of such transportation is not assignable to specific work, it shall be included in account No. 43, "Other expenditures—Road." Amounts thus charged for transportation in transportation service trains over the carrier's line shall be credited to operating expense general account VIII, Transportation for Investment—Cr.

(f) *Cost of contract work* includes amounts paid for work performed under contract by other companies, firms, or individuals, and costs incident to the award of the contract.

(g) *Cost of protection from casualties* includes expenditures for protection against fire, such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipal corporations and others for fire protection, and other analogous items of expenditure in connection with construction work.

(h) *Cost of injuries and damages* includes expenditures on account of injuries to persons or damage to property when incident to construction projects, and shall be included in the cost of the work in connection with

which the injury or damage occurs. It also includes that portion of premiums paid for insuring property applicable to the period prior to the completion or coming into service of the property insured. Insurance recovered on account of compensation paid for injuries to persons incident to construction shall be credited to the accounts to which such compensation is charged, and insurance recovered on account of damages to property incident to construction shall be credited to the accounts chargeable with the expenditures necessary for restoring the damaged property. The cost of injuries and damages incident to the removal of old structures, or parts thereof, shall be charged to Operating Expenses or Profit and Loss, as may be appropriate, except that such costs in connection with the removal of old structures which are incumbrances on newly acquired lands shall be included in account No. 2, "Land for transportation purposes," or No. 3, "Grading," as may be appropriate. (See sections 7 and 8.)

(i) *Cost of privileges* includes compensation for temporary privileges, such as the use of public property or streets, in connection with the construction of the property of the carrier.

5. EXCAVATED MATERIAL.—The cost of disposing of material excavated in connection with construction shall be considered as a part of the cost of the work, except that when such material is used for filling, the cost of removal and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

6. ITEMS TO BE CREDITED.—To these accounts shall be credited the ledger value of property retired.

Ledger value of property is the value at which the property is carried in the property investment account in the general ledger of the carrier. In case the value of any item of property is not shown separately in the ledger the ledger value of that item shall be its proportionate share of the value of the entire group in which the particular property is included.

Property retired means property which is sold, abandoned, demolished, or otherwise withdrawn from transportation service.

Salvage from retired property is the value of material recovered from property retired. When such material is retained and again used by the carrier, the value shall be computed upon the basis of fair prices for the material in its condition as recovered. When such material is sold, the net proceeds of the sale shall be considered as the value of the material.

7. PROPERTY RETIRED AND REPLACED.—When a unit of property other than land or equipment—such as a section of road, side or yard track, shop or power plant machine, building, or other structure—is retired from service and replaced with property of like purpose, the ledger value of the retired property shall be credited to the appropriate accounts of this classification at the time that the property is retired from service. The amount of this credit shall be charged concurrently as follows:

An amount equal to the credit balance in the accrued depreciation balance-sheet account with respect to the property thus retired shall be charged to that account and the remainder (less salvage and insurance recovered, if any), together with the cost of demolishing the property, if demolished by or for the carrier, shall be charged to the accounts in Operating Expenses appropriate for the cost of repairs of the property before retirement. The accounting for the salvage shall be in accordance with the disposition made of the material recovered.

If, however, the property retired and replaced with property of like purpose is of minor importance, such as a small roadway building or other

small structure, and is replaced in kind without betterment, the cost of the replacement shall be charged to operating expense accounts, and no adjustment made in the road and equipment accounts.

If so authorized by the Interstate Commerce Commission, the carrier may charge to Profit and Loss any extraordinarily large item representing the cost of property retired and replaced, instead of charging such item to Operating Expenses. The carrier shall file with the Commission a statement of the cost and a description of the property retired and the reasons which, in its judgement, indicate the propriety of charging the cost of such property to Profit and Loss.

The provisions of this section are applicable in accounting (at the time of retirement) for the cost of property abandoned, even though the new property has been actually installed previously to the date of the demolition of the abandoned property.

When the renewals to be made to an important building or other structure will constitute the major portion of its value when renewed, the property, when taken out of service, shall be considered as retired and accounted for as provided above, and for the purposes of this classification the renewed property shall be considered as an addition, and the appraised cost thereof shall be included in the accounts of this classification, consideration being given to the secondhand portions remaining therein. In no case shall the charge for the renewed property exceed the cost (at current market prices of labor and material) of new property of equal capacity and equal expectation of life in service, less a suitable allowance on account of the secondhand parts remaining therein.

8. PROPERTY RETIRED AND NOT REPLACED.—When a unit of property other than land or equipment—such as a section of road, side or yard track, shop or power plant machine, building, or other structure—is retired from service and not replaced, the ledger value shall be credited to the appropriate property accounts at the time that the property is retired from service. The amount of this credit shall be concurrently charged as follows:

An amount equal to the credit balance in the accrued depreciation balance-sheet account with respect to the property thus retired shall be charged to that account, and the remainder (less salvage and insurance recovered, if any), together with the cost of demolishing the property if demolished by or for the account of the carrier, shall be charged to the appropriate profit and loss account. The accounting for the salvage shall be in accordance with the disposition made of the material recovered.

9. EQUIPMENT RETIRED.—The instructions for accounting for equipment retired are contained in the text of the general account II, Equipment.

10. LAND RETIRED.—When any land, the cost of which is included in the accounts of this classification, is retired, the ledger value shall be credited to account No. 2, "Land for transportation purposes." If the land is retained by the carrier, its estimated value shall be charged to balance-sheet account No. 705, "Miscellaneous physical property," the necessary adjustment of the difference between the ledger value and the estimated value on account of the loss in the property due to its retirement from transportation service shall be made through Profit and Loss. If sold, the difference between the ledger value credited to account No. 2 and the amount received for the land shall be adjusted in Profit and Loss.

11. ADJUSTMENTS FOR CONVERTED PROPERTY.—When property, such as a unit of equipment, a building, or other facility of one class, is converted into property of another class, so that the amount of investment in such property must be transferred from one account of this classification to another, the

ledger value shall be credited to the appropriate road and equipment account. Proper account shall be taken of any salvage recovered in the process of conversion. The amount of the balance in the accrued depreciation balance-sheet account, with respect to the property thus converted, shall be charged to that account. The appraised cost of the property converted (consideration being given to the secondhand portions remaining therein) shall be included in the appropriate account of this classification. The charge for the converted property in no case shall exceed the cost (at current market prices of labor and material) of new property of equal capacity and equal expectation of life in service, less a suitable allowance on account of the secondhand portions remaining therein. The ledger value of the property before conversion, plus the cost of conversion, less the sum of the estimated value of the property as converted, the amounts charged to accrued depreciation accounts and the salvage recovered, shall be charged to the operating expense accounts appropriate for the costs of repairs of the fixed improvements or for the retirement of equipment before conversion.

12. EXPENSES IN CONNECTION WITH ADDITIONS AND BETTERMENTS.—The cost of removing old material from equipment and from buildings, bridges, wharves, tracks and other fixed improvements, shall be charged to the appropriate operating expense accounts. Such charges shall include the cost of removing old foundations and filling old excavations, and restoring condition of grounds after addition and betterment work; rearranging or relocating existing tracks; relocating telegraph and telephone poles or lines, fences, track and other signals, buildings, bridges, trestles, culverts, and other structures, and farm and highway crossings, including crossing gates and alarms, when the provisions of section 8 of these instructions are not applicable; and maintaining or protecting traffic during the progress of addition and betterment work, including the cost of constructing, maintaining, and removing temporary tracks required for maintaining traffic during the progress of the work.

13. INTERPRETATION OF ITEM LISTS.—Lists of "items," "details," etc., have been given as a part of this classification for the purpose of clearly indicating the application of the accounting rules in specific cases. The lists in every case are to be considered as merely representative, and not as excluding from any account analogous items which happen to be omitted from the list appended. On the other hand, the appearance of an item in a list warrants the inclusion of the time in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The item of boilers, for example, will be found under accounts Nos. 18, 27, 37, 44, and 45, and the proper charge in any one instance must be determined by the text of the account.

14. SUBMISSION OF QUESTIONS.—To the end that uniformity of accounting may be maintained from year to year, carriers shall submit all questions of doubtful interpretation of the accounting rules to the Commission for consideration and decision.

TEXT PERTAINING TO ACCOUNTS FOR INVESTMENT IN ROAD AND EQUIPMENT

I. ROAD.

The several primary accounts included in this general account are designed to show the cost of land, fixed improvements, and roadway machines and tools owned by the carrier and devoted to transportation service.

1. ENGINEERING.

This account shall include the pay and expenses of engineers, assistants, and clerks engaged in the survey and construction of new lines and extensions, or in making additions to and betterments of the carrier's road, including wharves and docks.

LIST OF OFFICERS AND EMPLOYEES. (See general instructions, section 13.)

Chief engineer.	Draftsmen.	Axmen.
Assistant engineers.	Clerks.	Messengers.
Bridge engineer.	Transitmen.	Cooks on business cars.
Signal engineer.	Levelmen.	Porters on business cars.
Architects.	Rodmen.	
Chief clerk.	Chainmen.	

ITEMS OF EXPENSE AND SUPPLIES. (See general instructions, section 13.)

Atlases and maps.	Magnifiers.	Sextants.
Axes.	Marking chalk.	Slide rules.
Barometers.	Official train service.	Stakes.
Books for office use.	Oilstones.	Straightedges.
Boxes for materials and instruments.	Paper, blue-print.	Tally registers.
Business car service.	Parallel rules.	Tape lines.
Cameras.	Periodicals and newspapers.	Tee-squares.
Camp equipage.	Photographic supplies.	Telegraph service.
Chains for surveyors.	Plane tables.	Telephone service.
Compasses.	Planimeters.	Telescopes.
Curves.	Plummets.	Thermometers.
Drawing boards.	Printing and stationery.	Thumb tacks.
Drawing instruments.	Protractors.	Tracing linen.
Field glasses.	Provisions for business cars.	Transits.
Field notebooks.	Ranging poles.	Traveling expenses.
Furniture repairs and renews.	Reading glasses.	Traverse tables.
Hatchets.	Rent of offices.	Triangles.
Heating and lighting.	Repairs of rented offices.	Tripods.
Levels.	Rods for surveyors.	Verniers.
Magnets.	Scales.	Water and ice.
	Section liners.	

NOTE A.—When employees designated above are engaged in the maintenance of the road, their pay and expenses while thus employed shall be charged to Operating Expenses.

NOTE B.—Expenditures for tentative or preliminary surveys shall be carried in a suspense account until it is determined whether or not to continue the work. If the

NOTE CAREFULLY GENERAL INSTRUCTIONS PAGES 274 TO 280

project is continued, expenditures for all surveys in connection therewith shall then be transferred to this account, and, if abandoned, to Operating Expenses, Income, or Profit and Loss, as may be appropriate.

NOTE C.—The cost of designing, making plans and specifications, and supervising the construction of equipment shall be included in the cost of the equipment.

NOTE D.—The cost of stationery and printing supplies used for accounting purposes in connection with engineering work shall be included in account No. 74, "Stationery and printing," when not directly assignable to specific road or equipment accounts.

NOTE E.—Fees and expenses of architects specially employed for designing or supervising the construction of buildings shall be included in the accounts appropriate for the cost of the buildings constructed.

2. LAND FOR TRANSPORTATION PURPOSES.

This account shall include the cost of land of necessary width acquired for roadway; the cost of land for station, office, shop, and other grounds; for ingress to or egress from such grounds; for borrow pits, waste banks, snow fences, sand fences, and other railway appurtenances; and for storage of material adjoining the right of way; the cost of land for wharves and docks and the cost of riparian or water rights necessary therefor; the cost of removing from the right of way and locating elsewhere the property of others, and the cost of the necessary land for relocation of the property, when such costs are assumed by the accounting carrier.

The carrier's records shall be kept in such manner as to show separately the cost of land purchased by it and the estimated values at time of acquisition of lands donated.

Proceeds from the sale of timber or of improvements purchased with right of way, less any cost of removal, shall be credited to this account.

ITEMS OF EXPENSE.

(See general instructions, section 13.)

Abstracts.	Plats.
Appraisals.	Premiums on condemnation bonds.
Arbitrators in condemnation cases.	Recording deeds.
Commissions paid to others.	Payments for relinquishment of cattle passes and other rights.
Condemnation expenses, including court costs and special counsel fees.	Removal and relocation of buildings and other structures not purchased.
Damages to property of others.	Rent of land when part of consideration for purchase.
Deferred payments for right of way.	Right-of-way agents' compensation (engaged solely in acquiring right of way).
Ditches for waterways when part of consideration.	Taxes accrued and assumed at time of purchase.
Judgments and decreed costs to clear or defend titles.	
Notarial fees.	

NOTE.—The cost of land acquired in excess of that necessary for transportation operations shall be included in balance-sheet account No. 705, "Miscellaneous physical property." When the purchase of land acquired for transportation operations involves the purchase of land not used for such purposes the charges to this account shall be based upon the estimated cost of only that portion which is used for such purposes, and the cost of the remaining land shall be included in account No. 705, "Miscellaneous physical property."

3. GRADING.

This account shall include the cost of clearing and grading the roadway, and of constructing protection of a permanent character for the roadway, tracks, embankments, and cuts.

When a part of a bridge or trestle, or the entire structure, is converted by filling into an earth embankment, and the bridge is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be included in the cost of the filling, and charged to this account. (See Note A, under account No. 6, "Bridges, trestles, and culverts.")

When a tunnel is converted into an open cut, the cost of clearing, grubbing, and excavating shall be included in this account.

DETAILS OF ROADBED AND ITEMS OF EXPENSE.

(See general instructions, section 13.)

Advertising for contractors' bids.	Material taken from borrow pits.
Berm ditches.	Operation of steam shovels.
Blasting.	Payments for privilege of wasting material on the property of others.
Breakwaters.	Payments for waste banks off the right of way.
Bulkheading.	Reconstruction of highways.
Clearing land.	Retaining walls.
Cribbing.	Revetments.
Ditches (not required by right-of-way agreement).	Riprap.
Dressing slopes.	Spoil banks.
Excavation for conversion of tunnels into open cuts.	Temporary trestling for fills.
Filling bridges, trestles, and culverts.	Tools for grading.
Grading outfits.	Wing dams.
Grubbing land.	

4. UNDERGROUND POWER TUBES.

This account shall include the cost of power tubes or conduits for underground contacts of electric railways or for underground cables of cable traction railways.

DETAILS OF UNDERGROUND CONTACT SYSTEM.

(See general instructions, section 13.)

Concrete work.	Manhole frames.	Sheaves.
Drainpipes.	Flow pits.	Slot rails.
Manhole covers.	Pulleys.	Yokes.

NOTE.—The cost of track rails, other track material, and electric contact rails and insulators shall be charged to the accounts appropriate for such property.

5. TUNNELS AND SUBWAYS.

This account shall include the cost of tunnels and subways for the passage of trains, including apparatus for ventilating and lighting, and safety devices therein, other than signals.

NOTE A.—The cost of tracks, including guard rails, in tunnels shall not be charged to this account.

NOTE B.—Station subways not highway crossings are includible in account No. 16, "Station and office buildings."

NOTE C.—If a tunnel be converted into an open cut, the accounting shall be in accordance with general instructions, section 11.

6. BRIDGES, TRETTLES, AND CULVERTS.

This account shall include the cost of the substructure and superstructure of bridges, trestles, and culverts which carry the tracks of the carrier over watercourses, ravines, public and private highways, and other railways.

DETAILS OF BRIDGE STRUCTURES.

(See general instructions, section 13.)

Abutments.	Ice breakers.
Bridge signs.	Painting (except repainting).
Cofferdams.	Pier protection.
Concrete and masonry ends for culverts.	Piers and foundations.
Cribs.	Pipe culverts.
Decking, including gravel for fire protection.	Retaining walls.
Dike protection.	Riprap around abutments.
Drainage systems.	Riprap at culvert ends.
Draw protection.	Supports.
Drawbridge engines and machinery.	Water channels.
False work.	Waterproofing.
Guard timbers.	Wing dams.
	Wing walls.

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NOTE A.—When a part or the entire structure of a bridge or trestle is converted, by filling, into an earth embankment, the ledger value of the structure, or of the portion thereof filled, shall be credited to this account. In case the bridge or trestle is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be charged to account No. 3, "Grading." The ledger value of the structure, or portion thereof, filled, less the value of the salvage and the estimated cost of trestle charged to account No. 3, shall be charged to Operating Expenses.

NOTE B.—The cost of bridges to carry the carrier's tracks over undergrade crossings, including the necessary piers and abutments for sustaining them, shall be included in this account, but the cost of undergrade roadways, paving on right of way, drainage systems, and retaining walls outside of the bridge abutments, shall be included in account No. 15, "Crossings and signs."

7. ELEVATED STRUCTURES.

This account shall include the cost of elevated structures and foundations of elevated railway systems.

This account is applicable to structures other than earthwork, which are for the purpose of elevating tracks above the grade of streets, and which are not properly classable as bridges or trestles.

NOTE.—The cost of stations and other structures built on elevated structures shall be accounted for according to the class of the structure thus superimposed, and not in this account.

8. TIES.

This account shall include the cost of cross, switch, bridge, and other track ties used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), and the cost of additional ties subsequently laid in such tracks; also the excess cost of metal ties used in repairs of track over the cost to replace in kind wooden ties removed.

The cost of handling ties in general supply and storage yards shall be included as store expenses apportioned to this account when the ties are used for construction purposes.

NOTE A.—The cost of labor for unloading, distributing, and placing the ties in tracks, and the cost of train service in connection with the distribution of ties laid shall be charged to account No. 12, "Track laying and surfacing."

NOTE B.—The cost of ties used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of ties used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

9. RAILS.

This account shall include the cost of rails used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), and the excess cost of heavier rails or rails of improved types or quality used for repairs of tracks over the cost to replace in kind the rails removed.

The cost of handling rails in general supply and storage yards shall be included as store expenses apportioned to this account when the rails are used for construction purposes.

To this account shall be credited the difference between the cost (at current prices at time of removal) of heavy rails removed and the cost of lighter rails applied in the repair of tracks.

NOTE A.—The cost of labor for unloading, distributing, and placing the rails in tracks, and of train service in connection with the distribution of the rails, shall be charged to account No. 12, "Track laying and surfacing."

NOTE B.—When secondhand rails are first applied to any tracks and no more than the actual cost of such rails is carried in the road accounts, the excess cost of new or heavier rails used for relaying the tracks over the cost (at prices current at the

time of replacement) of rails of a weight and condition equal to the weight and condition of the released rails when applied, shall be charged to this account.

NOTE C.—The cost of rails used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of rails used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

10. OTHER TRACK MATERIAL.

This account shall include the cost of material used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), except ballast and material chargeable to foregoing accounts; also the excess cost of heavier or improved "other track material" used in repairs of tracks over the cost of replacing in kind such material removed.

The cost of handling "other track material" in general supply and storage yards shall be included as store expenses apportioned to this account when such material is used in the construction of new tracks.

ITEMS OF OTHER TRACK MATERIAL. (See general instructions, section 13.)

Angle bars.	Main rods.	Switch locks and keys.
Anticreepers.	Nut locks.	Switch points.
Bumping posts.	Nuts.	Switch stands.
Compromise joints.	Offset bars.	Switch targets.
Connecting rods.	Rail braces.	Switches.
Crossings for steam and electric railways, including foundations or bases.	Rail chairs.	Tie plates.
Deraills.	Rail clips.	Tie plugs.
Frog blocking.	Rail joints.	Tie-rods.
Frogs.	Rail rests.	Track bolts.
Guard-rail blocking.	Rail shims.	Track insulators.
Guard-rail clamps.	Rail splices.	Track spikes.
Guard-rail fasteners.	Splice bars.	
Guard rails, switch and other.	Step chairs.	
	Switch chairs.	
	Switch crossings.	
	Switch lamps.	

NOTE A.—The cost of labor and train service for distributing, unloading, and applying "other track material" shall be charged to account No. 12, "Track laying and surfacing."

NOTE B.—No entry is required in this account with respect to improved "other track material" unless installed under a definite plan of changing standards, such as increasing the weight of rail.

NOTE C.—The cost of "other track material" used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of such track material used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

11. BALLAST.

This account shall include the cost of gravel, stone, slag, cinders, sand, and like material used in ballasting tracks (including tracks in shops, fuel stations, supply yards, etc.) not previously ballasted, including cost of work-train service and of unloading; cost of ballast applied in excess of ballast required to restore to its maximum height and width the ballast previously put on the roadbed; and the excess cost of improved ballast used in renewals over the cost to replace in kind to the original height and width the ballast removed. (Special instructions, section 11, for operating expense accounts, apply to the accounting for pits from which ballast material is obtained either for construction work or for maintenance, or for both.)

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NOTE A.—The cost of ballast used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

NOTE B.—Earth placed to form a crown in the middle of the track is not to be considered as ballast.

NOTE C.—The cost of ballast material placed on the decking of bridges solely for fire-protection purposes shall be included in account No. 6, "Bridges, trestles, and culverts."

NOTE D.—No charge shall be made to the accounts of this classification representing the value of cinders accumulated by the carrier.

12. TRACK LAYING AND SURFACING.

This account shall include the cost of distributing (including train service), laying, and adjusting ties, rails, and other track material used in the construction of tracks for the movement or storage of locomotives or cars, including repair tracks, but not tracks on car floats or temporary tracks the cost of which is chargeable to clearing accounts. It shall also include the cost of the labor expended in placing ballast in tracks not previously ballasted.

NOTE A.—The cost of distributing and adjusting ties, rails, ballast, and other track material for repairs shall be charged to Operating Expenses, both when such materials are replaced in kind and when replaced with improved and heavier material.

NOTE B.—The cost of work-train service in delivering ballast and of unloading such material is provided for in account No. 11, "Ballast."

13. RIGHT-OF-WAY FENCES.

This account shall include the cost of right-of-way fences (including permanent snow and sand fences erected in lieu of right-of-way fences), farm gates, cattle guards, wing fences, aprons, and hedges, on property not previously fenced, excluding those around stockyards, fuel stations, station and shop grounds, and building sites.

14. SNOW AND SAND FENCES AND SNOWSHEDS.

This account shall include the cost of snowsheds, including rock filling when necessary, and cost of permanent or portable fences for the protection of tracks from snow and sand, other than such permanent fences erected in lieu of right-of-way fences and chargeable to account No. 13, "Right-of-way fences."

15. CROSSINGS AND SIGNS.

This account shall include the cost of constructing farm passes, highways, and other railways across the carrier's right of way, except railways crossing at grade; cost of track signs, crossing gates, highway-crossing alarms, planking, paving, and watch houses at crossings; and the portion borne by the carrier of cost of overgrade and undergrade crossings constructed to eliminate grade crossings.

DETAILS OF GRADE CROSSINGS.

(See general instructions, section 13.)

Batteries, with track instruments and connections.	Crossing signal bells.	Warning signals.
	Paving.	Watch houses.
	Planking.	Water pipes.
Crossing gates.	Soil crossing drains.	

DETAILS OF OVERGRADE CROSSINGS.

(See general instructions, section 13.)

Bridge superstructures.	Drainage systems.	Retaining and wing walls,
Bridge substructures.	Piers, including foundations.	including foundations.
Decking, including road ways.		

DETAILS OF UNDERGRADE CROSSINGS.

(See general instructions, section 13.)

Curbing.	Retaining walls outside of	Roadways.
Drainage systems.	bridge abutments.	Sidewalks.
Paving on right of way.		

LIST OF SIGNS.

(See general instructions, section 13.)

Boundary signs.	Section signs.	Water trough signs.
Mile signs.	Slow or stop signs.	Whistle signs.
Monument stones.	Subdivision boards.	Yard-limit signs.
Overhead-bridge caution signs.	Tunnel caution signs.	
	Water station signs.	

NOTE A.—The cost of shop and station overgrade footbridges and subways not public highways shall be included in the cost of the buildings.

NOTE B.—The cost of bridges or trestles carrying the carrier's tracks over roads, highways, or other railways shall be charged to account No. 6, "Bridges, trestles, and culverts," but the cost of a bridge or other structure which carries farm passes, highways, or the tracks of another carrier over the carrier's tracks shall be included in this account.

16. STATION AND OFFICE BUILDINGS.

This account shall include the cost of station and office structures, their fixtures, appurtenances, and furniture necessary first to equip the buildings for use.

STATION AND OFFICE STRUCTURES AND DETAILS.

(See general instructions, section 13.)

Baggage rooms.	Gas supply system.	Reading rooms.
Breakwaters for protection of buildings.	General office buildings.	Rooms for Y. M. C. A.
Buildings and rooms for trainmen.	Grain cribs.	Scale houses.
Buildings on piers.	Grain elevators.	Sidewalks.
Call bells.	Grain warehouses.	Stables.
Coal bins.	Greenhouses.	Station footbridges (not highway crossings).
Coal transferring machinery (not on coal and ore wharves).	Hay houses.	Station intertrack fences.
Coal trestles (not at fuel stations).	Heating plants.	Station platforms.
Commissarial buildings.	Hedges.	Station signs.
Drainage and sewerage systems.	Hoisting engines, for handling freight.	Station stairways.
Dwellings.	Hose houses.	Station subways (not highway crossings).
Eating houses.	Ice houses.	Stations, freight.
Electric wiring.	Lighting plants.	Station power houses.
Elevators and machinery.	Mail cranes.	Stations, passenger.
Express buildings.	Milk stands.	Stock pens.
Fences.	Office buildings.	Storehouses.
Fire-engine houses.	Ore-transferring machinery.	Telegraph offices.
Freight cranes.	Outhouses.	Telephor systems.
Freight derricks.	Pavement within ground limits.	Track scales.
Freight handling machinery.	Platforms, freight.	Transfer houses.
Freight houses.	Platforms, passenger, including planking between tracks.	Transfer platforms.
Garages.	Power distribution systems, interior.	Waiting rooms.
		Warehouses.
		Washrooms.
		Water-supply systems.
		Yard offices.

NOTE A.—Office buildings used exclusively in connection with maintenance of way shall be included in account No. 17, "Roadway buildings." Those used exclusively in connection with maintenance of equipment shall be included in account No. 20, "Shops and enginehouses."

NOTE B.—The cost of grading and preparing grounds, both before and after the construction of station and office buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

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17. ROADWAY BUILDINGS.

This account shall include the cost of roadway shops and other roadway buildings, including drainage, water, gas, and sewer pipes and connections; and all machinery, fixtures, and furniture to equip the buildings ready for use.

LIST OF ROADWAY BUILDINGS.

(See general instructions, section 13.)

Bins for material.	Hand-car houses.	Section dwelling houses.
Blacksmith shops.	Lighting plants.	Stables.
Boarding houses.	Lumber sheds.	Storehouses.
Breakwaters for protection of buildings.	Offices.	Tool houses.
Carpenter shops.	Outhouses.	Watch houses.
Dwellings.	Planing mills.	
Fire-engine houses.	Rail shops for repair of track material.	
Frog shops for repair of track material.	Repair shops.	
	Scrap bins.	

NOTE.—The cost of grading and preparing grounds both before and after the construction of roadway buildings, and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the buildings, as shall also the fees and expenses of architects especially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

18. WATER STATIONS.

This account shall include the cost of structures, facilities, and appliances necessary to equip for service stations for supplying water. The cost of analyses of water preliminary to the establishment of water stations shall be included in this account.

WATER STATION STRUCTURES AND DETAILS.

(See general instructions, section 13.)

Boilers.	Pump houses.	Track tanks.
Breakwaters for protection of buildings.	Pumps.	Tubs.
Buildings on piers.	Purifying plants.	Water cranes.
Cisterns.	Reservoirs.	Water pipe lines.
Dams.	Settling basins.	Water-treating plants.
Fences.	Stationary engines.	Wells.
Outhouses.	Steam pipes.	Windmills.
Penstocks.	Tanks and foundations.	
	Test wells.	

NOTE A.—The cost of water stations used solely for supplying water to shops, power plants, stations, hotels, tenement houses, or section houses shall be charged to the appropriate accounts relating to the property so supplied.

NOTE B.—The cost of a temporary water station established only for use during the construction period shall be included in the primary accounts to which is charged the cost of the work in connection with which the water station is used.

NOTE C.—The cost of grading and preparing grounds both before and after the construction of water station buildings, and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

19. FUEL STATIONS.

This account shall include the cost of structures, facilities other than tracks, and appliances necessary to equip for service stations for supplying fuel to locomotives and floating equipment.

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FUEL STATION STRUCTURES AND DETAILS.

(See general instructions, section 13.)

Breakwaters for protection of buildings.	Elevating machinery.	Fuel wharves.
Buckets.	Fences.	Inclines.
Buildings on piers.	Fuel houses or stations.	Outhouses.
Coal buckets.	Fuel-oil columns.	Scales.
Coal buggies.	Fuel-oil plants.	Sheds.
Coal hoists.	Fuel-oil pumps.	Stationary engines.
Coal pockets and chutes.	Fuel-oil sumps.	Tipple cars.
Dumping machinery.	Fuel-oil tanks.	Weighing apparatus.
	Fuel platforms.	Wood racks.

NOTE A.—The cost of fuel stations, coal houses, etc., used solely for supplying fuel to shops, power plants, stations, hotels, tenement houses, or section houses shall be charged to the appropriate accounts relating to the property so supplied.

NOTE B.—The cost of a temporary fuel station established only for use during the construction period shall be included in the primary accounts to which is charged the cost of the work in connection with which the fuel station is used.

NOTE C.—The cost of grading and preparing grounds both before and after the construction of fuel station buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

20. SHOPS AND ENGINEHOUSES.

This account shall include the cost of buildings to be used as shops, enginehouses, and storehouses for material for maintenance of equipment; foundations, except those special to particular machines and other apparatus; furniture and fixtures other than equipment chargeable to account No. 44, "Shop machinery"; drainage, sewerage, and water-supply systems; and plants for heat and light.

SHOP AND ENGINEHOUSE STRUCTURES AND DETAILS.

(See general instructions, section 13.)

Air-compressor houses.	Foundries.	Repair shops.
Ash pits and pockets.	Gas-compressor houses.	Sand houses.
Ash plants.	Heating plants.	Scale houses.
Bins for material.	Hose houses.	Scrap bins.
Blacksmith shops.	Ice houses.	Sidewalks.
Breakwaters for protection of buildings.	Laboratories.	Stables.
Buildings on piers.	Lighting plants.	Steam-distribution systems, interior.
Car sheds.	Lumber sheds.	Storehouses.
Car shops.	Machine shops.	Tanks, gas.
Carpenter shops.	Material and supply truck tracks.	Tanks, oil.
Cinder pits.	Motor-crane tracks.	Test rooms.
Cinder pockets.	Offices, shop.	Tin shops.
Drop pits.	Oil houses.	Tool houses.
Dry houses.	Outhouses.	Track scales.
Electric-power distribution systems within buildings.	Paint shops.	Transfer tables.
Enginehouses.	Pipe lines, air, interior.	Turntables.
Fire-engine houses.	Pipe lines, car-heating.	Upholstering shops.
Footbridges (not public highways).	Pipe lines, gas, interior.	Warehouses.
	Planing mills.	Wash rooms.
	Platforms, shop and yard.	Watch houses.

NOTE A.—The cost of distinct power plant buildings for shop purposes shall be included in account No. 29, "Power plant buildings." Cost of distribution systems leading from such power plants to shops and enginehouses shall be included in account No. 32, "Power distribution systems."

NOTE B.—The cost of grading and preparing grounds both before and after the construction of shop and enginehouse buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising

the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

NOTE C.—The cost of shop buildings devoted solely to the maintenance of way and structures shall be included in account No. 17, "Roadway buildings."

21. GRAIN ELEVATORS.

This account shall include the cost of structures for the transfer, treatment, and the storage of grain, including cost of conveyors, machinery and fixtures.

The buildings referred to in this account are not small storage elevators at stations where grain is received for shipment, etc., but large elevators in which grain is stored for various owners.

NOTE A.—Small storage elevators at way stations are classed as station buildings.

NOTE B.—The cost of grading and preparing grounds both before and after the construction of grain-elevator buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

22. STORAGE WAREHOUSES.

This account shall include the cost of storage warehouses, including machinery and fixtures therein.

The buildings herein referred to are not the ordinary freight warehouses or stations where freight is received for shipment, etc., but warehouses in which merchandise is stored and which the railway companies or others operate commercially as storage warehouses.

NOTE.—The cost of grading and preparing grounds both before and after the construction of storage warehouse buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

The cost of permanent water rights shall also be included in the cost of the buildings.

23. WHARVES AND DOCKS.

This account shall include the cost of wharves, docks, dry docks, slips, float bridges, and other landings for vessels, including the cost of necessary dredging, and the cost of float-bridge machinery; also the cost of piling, pile protection, cribs, cofferdams, walls, and other necessary devices and apparatus for the operation or protection of wharves and docks.

DETAILS OF WHARVES AND DOCKS.

(See general instructions, section 13.)

Bridge pontoons.	Ferry-bridge machinery.	Jetty inclines.
Bulkheads.	Ferry bridges.	Transfer-bridge machinery.
Caissons.	Ferry racks.	Transfer bridges.
Cribwork.	Ferry slips.	
Dry docks.	Jetties.	

NOTE A.—The cost of coal and ore wharves and docks shall be included in account No. 24, "Coal and ore wharves."

NOTE B.—The cost of the land on which wharves are built and cost of riparian or water rights for wharves and docks shall be charged to account No. 2, "Land for transportation purposes."

NOTE C.—The cost of buildings located on wharves shall be included in the accounts appropriate for the class of building.

NOTE D.—The cost of grading and preparing grounds both before and after the construction of wharves (other than coal and ore wharves) and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the wharves.

24. COAL AND ORE WHARVES.

This account shall include the cost of wharves and docks for the transfer, treatment, blending, or storage of coal or ore, including the cost of necessary dredging and of conveyors, machinery, and fixtures.

NOTE A.—The structures referred to in this account do not include small transfer or storage trestles or wharves at stations where coal is stored or delivered, such trestles being classed as station buildings.

NOTE B.—The cost of grading and preparing grounds both before and after the construction of coal and ore wharves, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the wharves, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the wharves.

25. GAS PRODUCING PLANTS.

This account shall include the cost of gas producing and gas compressing plants, and the cost of machinery and other apparatus in such plants.

NOTE.—The cost of grading and preparing grounds both before and after the construction of gas-plant buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

26. TELEGRAPH AND TELEPHONE LINES.

This account shall include the cost of telegraph and telephone lines, including terminal equipment.

DETAILS OF TELEGRAPH AND TELEPHONE TERMINAL EQUIPMENT.

(See general instructions, section 13.)

Batteries.	Fuses and mechanical protectors.
Cables and wires, interior.	Rectifiers.
Conduits, interior.	Rheostats.
Connecting wires.	Sending and receiving instruments.
Current-controlling instruments.	Switchboards.
Electric generators and motors.	Testing outfits.
Electric meters.	Transformers.
Engines, stationary.	

DETAILS OF TELEGRAPH AND TELEPHONE OUTSIDE PLANT.

(See general instructions, section 13.)

Aerial attachments.	Guy wires.
Braces.	Insulators.
Brackets.	Poles.
Cable boxes and appurtenances.	Submarine cables and connections.
Cables and wires, aerial.	Telephone pole boxes.
Conduits and appurtenances.	Towers.
Cross arms.	Underground cables and connections.
Guy stubs.	

27. SIGNALS AND INTERLOCKERS.

This account shall include the cost of interlocking and other signal apparatus for governing the movement of trains, including towers and other buildings in connection therewith.

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DETAILS OF SIGNALS AND INTERLOCKERS.

(See general instructions, section 13.)

Air compressors.	Semaphores.
Batteries.	Signal and switch levers.
Boilers.	Signal arms.
Distant signals.	Signal blades.
Dynamos.	Signal bridges.
Engines, stationary.	Signal buildings.
Gates at crossings of other railways.	Signal lamp brackets and connections.
Home signals.	Signal lamps.
Interlocker buildings.	Signal machinery.
Interlocker machinery.	Signal poles and foundations.
Interlocker mechanism.	Signal pulleys and foundations.
Levers.	Special appliances.
Rail bonds.	Station signals.
Railway-crossing signals.	Train-order signals.
Relays.	Wiring.

NOTE A.—When signal or interlocking apparatus is located in a station building, the entire cost of the building shall be included in account No. 16, "Station and office buildings."

NOTE B.—The cost of grading and preparing grounds both before and after the construction of signal and interlocker buildings, and the cost of constructing side-walks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

28. POWER DAMS, CANALS, AND PIPE LINES.

This account shall include the cost of all dams, canals, pipe lines, and accessories devoted to the utilization of water power for the operation of trains and cars, and to furnish power, heat, and light for general purposes.

DETAILS OF DAMS, CANALS, AND PIPE LINES.

(See general instructions, section 13.)

Aqueducts.	Grids.	Valves.
Bridges.	Inlet valves.	Viaducts.
Fences.	Penstocks.	Walls.
Footbridges.	Reservoirs.	Water rights.
Forebays.	Roadways.	
Gates.	Sluices.	

29. POWER PLANT BUILDINGS.

This account shall include the cost of the buildings of power plants erected to furnish power for the operation of trains and cars, and to furnish power, heat, and light for stations, shops, or general purposes; foundations, except those special to particular machines and other apparatus; drainage, water, and sewer pipes and their connections; fixtures, including wiring for lighting and heating; and miscellaneous furniture and fixtures.

NOTE A.—The cost of power plant machinery and other apparatus shall be included in account No. 45, "Power plant machinery."

NOTE B.—The cost of grading and preparing grounds, both before and after the construction of power plant buildings, and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

30. POWER SUBSTATION BUILDINGS.

This account shall include the cost of the buildings of power substations (including storage-battery stations) erected to transform power for the

operation of trains and cars, and for heat, light, and general purposes; foundations, except those special to particular machines and other apparatus; drainage, water, and sewer pipes and their connections; fixtures, including wiring, for lighting and heating; and miscellaneous furniture and fixtures.

NOTE A.—The cost of substation machinery and other apparatus for transforming or storing power in power substations shall be included in account No. 46, "Power substation apparatus."

NOTE B.—The cost of grading and preparing grounds, both before and after the construction of power substation buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

31. POWER TRANSMISSION SYSTEMS.

This account shall include the cost of high-tension transmission systems, whether overhead, surface or underground, used for transferring power from producing plants to a place where it is transformed for propelling trains and cars, or for power, heat, light, and general purposes.

DETAILS OF POWER TRANSMISSION SYSTEMS.

(See general instructions, section 13.)

Cables.	Span wires.
Cut-outs (not at power houses and sub-stations).	Switchboards (not at power houses and substations).
Feed wires.	Transformers (not at power houses and substations).
Guard wires.	
Insulators and connections.	

NOTE.—When the electric current generated or received is changed by means of (a) rotary converters, (b) motor generator sets, or (c) static transformers (substation apparatus), that portion of the line or outside conductor system carrying current of other than the operating kind in voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and kind, the line or outside conductor system, including any feeders, trolley wires, booster circuits, and supplementary return, shall be classed wholly as distribution system. The lines between generating stations and substations shall follow the same rule as other lines.

32. POWER DISTRIBUTION SYSTEMS.

This account shall include the cost of distribution systems, whether overhead, surface, or underground, for conveying low-tension electric power from producing plants or transformer stations and for conveying steam and compressed-air from producing plants to the place where used for propelling trains and cars, or for power, heat, light, and general purposes.

DETAILS OF POWER DISTRIBUTION SYSTEMS.

(See general instructions, section 13.)

Compressed-air pipe lines.	Rail bond plugs.	Third rail.
Cut-outs (not at power houses and substations).	Rail bonds.	Third-rail braces.
Feed wires.	Rail-insulating devices.	Third-rail insulation and protection.
Guard wires.	Span wires.	Third-rail supports.
Insulators and connections.	Steam pipe lines.	
Overhead trolley wires.	Switchboards (not at power houses and substations).	

NOTE A.—The cost of track material such as insulated rail splices used in connection with distribution systems shall be charged to account No. 10, "Other track material."

NOTE B.—The cost of the portions of distribution systems located within shop buildings and station and office buildings shall be included in the cost of the buildings. The cost of distribution systems in plants used exclusively for operating signals and interlockers shall be included in account No. 27, "Signals and interlockers."

NOTE C.—When the electric current generated or received is changed by means of (a) rotary converters, (b) motor generator sets, or (c) static transformers (substation apparatus), that portion of the line or outside conductor system carrying current of other than the operating kind or voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and kind, the line or outside conductor system, including any feeders, trolley wires, booster circuits, and supplementary return, shall be classed wholly as distribution system. Tie lines between generating stations and substations shall follow the same rule as other lines.

33. POWER LINE POLES AND FIXTURES.

This account shall include the cost of poles, cross arms, insulating pins, brackets, and other pole fixtures; braces and other supports for holding the poles in position; and structures for supporting the overhead electric construction.

34. UNDERGROUND CONDUITS.

This account shall include the cost of conduits required for underground wires and cables of electric railway construction, including manholes, sewer connections, sewer traps, and all details necessary for the completion of the conduit system.

35. MISCELLANEOUS STRUCTURES.

This account shall include the cost of all permanent structures not provided for elsewhere, including all fixtures and furniture to equip them for use.

36. PAVING.

This account shall include the cost of paving about tracks in public highways through which the carrier's tracks are laid.

NOTE.—The cost of paving upon the carrier's lands, within the grounds of buildings or other structures, shall be included in the accounts provided for the cost of the structures. The cost of paving upon the carrier's right of way at crossings shall be included in account No. 15, "Crossings and signs."

37. ROADWAY MACHINES.

This account shall include the cost of the initial outfit of roadway machines provided for the maintenance of roadway and structures at the time the road is opened for commercial traffic, and the cost of additional roadway machines acquired subsequently.

LIST OF ROADWAY MACHINES. (See general instructions, section 13.)

Boilers, portable.	Concrete mixers.	Pile drivers.
Cars, hand.	Ditching machines.	Plows, unloading.
Cars, lever.	Dredging machines.	Rail unloaders.
Cars, motor inspection.	Engines, portable.	Rock crushers.
Cars, push.	Grading outfits.	Steam rollers.
Cars, (small), crane, for	Hydraulic outfits.	Timber trucks.
supply yards and general	Jacks, hydraulic.	Velocipedes.
use.	Log loaders.	

NOTE A.—When an important addition and betterment project or the construction of a new line necessitates the purchase of roadway machines to be used exclusively thereon, the cost shall be included in the accounts to which the cost of the work is charged. The amount realized from any subsequent sale, or the appraised value of the machines retained after the completion of the special work for which they were purchased, shall be credited to the accounts charged with the cost thereof. The appraised value of such machines retained shall be debited to this account and thereafter considered as the cost of such property.

NOTE B.—The cost of machines for the equipment of roadway shops shall be included in account No. 17, "Roadway buildings," as provided for therein.

NOTE C.—The cost of roadway machines, such as pile drivers, log loaders, hoist engines, and concrete mixers, when permanently mounted for movement on the carrier's tracks, shall be included in account No. 57, "Work equipment."

38. ROADWAY SMALL TOOLS.

This account shall include the cost of the initial outfit of roadway and track small tools provided for the maintenance of way and structures at the time the road is opened for commercial traffic; also the initial outfit of such tools provided for the maintenance of extensions of such road.

LIST OF ROADWAY TOOLS.

(See general instructions, section 13.)

Adzes.	Hammers, napping.	Rope.
Anvils.	Hammers, paving.	Saws, crosscut.
Augers.	Hammers, spiking.	Saws, hand.
Axes.	Handles for tools.	Scrap boxes.
Ballast forks.	Hatchets.	Scythes.
Bars, claw.	Hoes.	Shovels.
Bars, crow.	Jack levers.	Sickles.
Bars, lining.	Jacks, ratchet.	Sledges.
Bars, pinch.	Jacks, screw.	Spades.
Bars, raising.	Jacks, track.	Spike mauls.
Bars, tamping.	Kegs, water.	Spike pullers.
Braces and bits.	Ladders.	Spot boards.
Brooms.	Lanterns and fixtures.	Squares.
Brush hooks.	Lawn mowers.	Straightening machines.
Cable stretchers.	Levels.	Tape lines.
Cables.	Lines for ditching.	Thermometers for laying rail.
Cans, oil.	Nippers.	Tongs.
Cans, water.	Oilstones.	Tool boxes.
Cant hooks.	Padlocks.	Torches.
Chains.	Pails, water.	Track gauges.
Chisels, track.	Paint brushes.	Track levels.
Chisels, wood.	Picks, clay.	Vises.
Curbing hooks.	Picks, tamping.	Weed spuds.
Dippers.	Pike poles.	Wheelbarrows.
Drawing knives.	Post-hole diggers.	Whetstones.
Drill bits.	Post-hole tamperers.	Wood mallets.
Drills, portable.	Punches.	Wrenches, monkey.
Flags, signal.	Rail benders.	Wrenches, track.
Furnaces, portable.	Rail tongs.	
Grindstones.	Rakes.	

NOTE.—The cost of roadway and track small tools of which no specific record is kept shall be charged when acquired to an appropriate materials and supplies account, from which they shall be charged as issued to the appropriate road and equipment, operating expense, or other accounts. When such tools are used both for construction and maintenance work the cost shall be equitably apportioned among the accounts provided for the two classes of work.

39. ASSESSMENTS FOR PUBLIC IMPROVEMENTS.

This account shall include the carrier's proportion of the cost of constructing public improvements—such as grading, sewerage, curbing, guttering, paving, and sidewalks—and other public improvements, including the cost of such improvements if made by the carrier's own employees under Government requirements.

NOTE A.—The cost of paving required by Government authority between rails and adjacent to tracks laid through public highways shall be included in account No. 36, "Paving."

NOTE B.—The carrier's proportion of the cost of maintaining such public improvements shall be included in operating expenses.

40. REVENUES AND OPERATING EXPENSES DURING CONSTRUCTION.

This account shall include the cost of operating a piece of road during the period before the regular operation of revenue trains, including rent and repairs of equipment used in commercial service during such period. It includes the cost of running construction trains over such section of road when the cost of operating such trains can not properly be charged to any specific account.

To this account shall be credited amounts collected for rents of buildings and other properties and for the transportation of commercial freight or of passengers on construction trains; also the net profits from boarding and commissarial outfits, and other sources of operating revenue.

Carriers which wish to subdivide this account shall use appropriate subaccounts corresponding to accounts prescribed in the operating revenue, operating expense, or income account classifications.

41. COST OF ROAD PURCHASED.

This account shall include the cash cost of any road or portion thereof purchased. Where the contract of purchase includes not only road, but also equipment, securities, and other assets, the appraised value of such equipment, securities, and other assets shall be deducted from the total cash cost, and the remainder of the cash cost shall be charged to this account. Where the consideration given for the property purchased is other than cash, such consideration shall be valued on a current cash basis. If the consideration includes the assumption of liabilities, such liabilities shall be included in the determination of the cost at their cash value at the time the contract is made.

This account shall be used only as a clearing account in which temporarily to carry the cost of road purchased until such time as a plan for distributing such cost to the primary accounts appropriate for the property is approved by the Commission.

NOTE A.—The appraised value of any equipment thus acquired shall be charged to the appropriate equipment accounts. The value, at time of purchase, of any securities, or other assets acquired, shall be included in the accounts appropriate for such assets. The par value of any liabilities assumed shall be included in the appropriate liability accounts, and the necessary adjustments between the cash value charged to the property accounts and the par value shall be made in the appropriate premium or discount account.

NOTE B.—The carrier shall be prepared to furnish the Commission, upon demand, a full report of the contract of acquisition of each road, or portion thereof, purchased, and a statement showing in detail the consideration given therefor. It should procure, in connection with the acquisition of any such road and equipment, all existing records, memoranda, and accounts in possession or control of the grantor, relating to the construction and improvements of such road and equipment, and shall preserve such records, memoranda, and accounts until authorized by law to destroy or otherwise dispose of them. Where the records, memoranda, and accounts are so intimately involved with other records, memoranda, and accounts of the grantor as to make their transfer impracticable or inadvisable, certified copies of them shall be procured and retained by the grantee. The verity of the copies should be certified by the custodian of the originals.

42. RECONSTRUCTION OF ROAD PURCHASED.

When a road is purchased and the fixed improvements acquired are in such a physical condition that it is necessary substantially to rebuild the road in order to bring it up to the standard required by the carrier, the cost of such rebuilding shall be charged to this account.

NOTE A.—A comprehensive statement of the estimated amount necessary to reconstruct a road in accordance with the above provision shall be made to the Commission as soon as the estimate is made.

NOTE B.—When the work of reconstruction of road purchased is completed, the cost thereof shall be credited to this account and charged to other primary accounts of this classification appropriate for the expenditures made.

43. OTHER EXPENDITURES—ROAD.

This account shall include items which can not properly be included in any of the foregoing accounts as a part of the cost of any specific work, such as the cost of transportation of men, materials, supplies, and equipment over the carrier's own line; amount paid for rent and repairs of equipment and for injuries to persons incident to and in connection with original road, road extensions, or additions and betterments; and analogous items. When assignable, such expenditures shall be included in the cost of the property in connection with which the expenditure occurs.

NOTE.—Rents paid for and repairs made to equipment used in commercial operations during the period before the regular operation of revenue trains shall be charged to account No. 40, "Revenues and operating expenses during construction."

44. SHOP MACHINERY.

This account shall include the cost of machinery and other apparatus in shops and enginehouses, including the cost of special foundations and installation, and cost of small hand tools necessary first to equip a shop.

LIST OF SHOP MACHINERY. (See general instructions, section 13.)

Air compressors.	Framing machines.	Pneumatic hammers.
Ash conveyors.	Furnaces.	Power equipment.
Belting.	Grinding and polishing machines.	Punches.
Blowers.	Hoists.	Riveters.
Boilers for furnishing power.	Hydraulic jacks.	Saws.
Boring machines.	Lathes.	Shafting.
Cars, motor.	Lifting magnets.	Shapers.
Cars, push.	Metal chimneys.	Slotters.
Cranes.	Milling machines.	Stationary engines.
Drill presses.	Motors.	Steam hammers.
Drilling machines.	Pipe cutting and threading machines.	Vises.
Drop tables.	Planers.	Welding machines.
Forges.		Woodworking machines.

NOTE A.—The cost of power plant machinery and other apparatus for shop purposes, when located in distinct buildings, shall be included in account No. 45, "Power plant machinery."

NOTE B.—The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building, and not in this account.

45. POWER PLANT MACHINERY.

This account shall include the cost of machinery and other apparatus for generating power in power plants used for the operation of trains and cars, or to furnish power, heat, and light for stations, shops, or general purposes, including the cost of special foundations and installation.

DETAILS OF POWER PLANT MACHINERY. (See general instructions, section 13.)

Ammeters.	Boosters.	Cut-outs.
Batteries.	Cables.	Draft machinery.
Belting.	Circuit breakers.	Dynamos.
Boiler-room appliances and tools.	Clutches.	Economizers.
Boilers and fittings.	Conductors.	Electric-power distribution systems, interior.
	Cranes.	

Engine-room appliances and tools.	Lubricating devices.	Steam fittings.
Feed-water heaters.	Machinery and foundations.	Switchboards.
Furnaces.	Mechanical stokers.	Tanks.
Generators.	Piping.	Transformers.
Globes.	Poles.	Turbines.
Hangers.	Pumps.	Voltmeters.
Heating apparatus.	Purifiers.	Water meters.
Hoists.	Rheostats.	Water wheels.
Insulators.	Sewer connections.	Wires from generators or transformers to switch-board.
Lamps.	Shafting.	
Lighting apparatus.	Stationary engines.	
	Steam distribution systems.	

NOTE A.—The cost of power machinery and other apparatus installed in a shop as part of the shop equipment shall be included in account No. 44, "Shop machinery."

NOTE B.—The cost of power machinery and other apparatus installed in stations and offices and used solely for station and office purposes shall be included in account No. 16, "Station and office buildings."

NOTE C.—The cost of power machinery and other apparatus in plants used solely for operating signals and interlockers shall be included in account No. 27, "Signals and interlockers."

NOTE D.—The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building, and not in this account.

46. POWER SUBSTATION APPARATUS.

This account shall include the cost of machinery and other apparatus, including the cost of special foundations and installation, for transforming or storing power in power substations used for the operation of trains and cars, and for power, heat, and light for stations, shops, or general purposes.

DETAILS OF POWER SUBSTATION APPARATUS.

(See general instructions, section 13.)

Rotary converters.
Storage batteries.

Switchboards.
Transformers.

NOTE A.—The cost of constructing machinery and other apparatus for transforming or storing power shall be included in account No. 45, "Power plant machinery," when such equipment is contained in a power plant.

NOTE B.—The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building, and not in this account.

47. UNAPPLIED CONSTRUCTION MATERIAL AND SUPPLIES.

This account shall include the cost of material and supplies located at the point of use which have been purchased for projected new roads and road extensions.

The purpose of this account is to exclude from the current assets the cost of supplies and unapplied material which are located for use on projected new roads and road extensions, under the condition that the material will not be used for other purposes.

NOTE A.—Material and supplies designed for projected new roads and road extensions which are carried in storehouses and store yards and included in the general stock of an operating company shall be included in balance-sheet account No. 716, "Materials and supplies."

NOTE B.—The cost of unapplied materials and supplies on hand at the completion of construction work shall be transferred to balance-sheet account No. 716, "Materials and supplies."

II. EQUIPMENT.

The several primary accounts included in this general account are designed to show the cost of the several classes of equipment owned by the carrier, or held under equipment trust agreements for purchase.

To the appropriate primary accounts in this general account shall be charged the cost of all equipment, such as steam locomotives, electric locomotives, passenger-train cars, freight-train cars, work equipment, floating equipment, and the necessary appurtenances, furniture, and fixtures first to equip for service, including the cost of inspection, setting up, and trying out, and transportation over foreign lines; also the cost of additions, such as headlights, mechanical stokers, power brakes, vestibules, machinery for self-propulsion, heating and lighting apparatus, and the like; and the excess cost of betterments, such as improved appliances, parts, or appurtenances over the cost at current prices (as new) of the appliances, parts, or appurtenances removed. The cost of removing the old appliances and applying the improved shall be charged to Operating Expenses.

The ledger value of each unit of equipment shall be credited to the appropriate equipment account when it is retired from service. The amount of this credit shall be concurrently charged as follows:

The amount of the balance in the balance-sheet accrued depreciation account with respect to the equipment thus retired shall be charged to that account; the salvage recovered shall be charged to the materials and supplies account or elsewhere, according to the purpose for which used; the amount of depreciation prior to July 1, 1907, not previously written off or provided for, shall be charged to Profit and Loss; and the remainder shall be charged to the appropriate operating expense account for equipment retired. The cost of demolishing the equipment, if demolished by or for the carrier, shall be charged to the appropriate operating expense account for equipment retirements.

When the cost of the renewals to be made to any unit of equipment will constitute the major portion of its value as renewed, the equipment, when taken out of service, shall be considered as retired and accounted for as provided in the preceding paragraph, and for the purpose of this classification the renewed equipment shall be considered an addition and the appraised cost thereof shall be included in the account appropriate for the cost of the equipment. In no case shall the charge for the renewed equipment exceed the cost (at current market prices of labor and material) of new equipment of similar type, equal capacity, and equal expectation of life in service, less a suitable allowance on account of the secondhand parts remaining therein.

When equipment of one class is converted so as to be includible in another class, the accounting shall be as provided in general instructions, section 11.

When an important addition and betterment project or the construction of new lines necessitates the purchase of equipment to be used exclusively therein, the cost of such equipment shall be included in the accounts representing the cost of the work, and no charge shall be made to Operating Expenses for depreciation on such equipment while the cost remains so charged. The amount realized from any subsequent sale, or the appraised value of the equipment retained after the completion of the special work for which it was purchased, shall be credited to the accounts charged with its cost. The appraised value of such equipment retained shall be debited to the appropriate primary account herein, and thereafter, for the purposes of accounting, such appraised value shall be considered as the cost of the equipment.

When secondhand equipment acquired is in such physical condition that it is necessary to make extensive repairs to it to bring it up to the standard

required by the carrier, the cost of such repairs shall be included in the account appropriate for the cost of the equipment. A comprehensive statement of the amount estimated to be necessary to rebuild second-hand equipment in accordance with the above provision shall be furnished to the Commission as soon as the estimate is made.

51. STEAM LOCOMOTIVES.

This account shall include the cost of steam locomotives and tenders, purchased or built by the carrier, and of appurtenances, furniture, and fixtures necessary to equip them for service, including the cost of inspection, setting-up, and trying out after receipt from builders, and transportation charges to the carrier's line.

LIST OF APPURTENANCES TO LOCOMOTIVES.

(See general instructions, section 13.)

Air-brake equipment and hose.	Fire-extinguishing apparatus.	Speed recorders.
Arm rests.	Gongs.	Steam-gauge lamps.
Awnings.	Head lamps.	Steam-heat equipment and hose.
Brake fixtures.	Metallic packing.	Storm doors.
Cab cushions.	Pneumatic sanding equipment.	Tool boxes.
Cab lamps.	Seat boxes.	Train-signal equipment and hose.
Clocks.	Signal lamps.	
Coal boards.		

52. OTHER LOCOMOTIVES.

This account shall include the cost of locomotives other than steam, purchased or built by the carrier, and of appurtenances, furniture, and fixtures necessary to equip them for service, including inspection, setting up, and trying out after receipt from builders, and transportation charges to the carrier's line.

NOTE.—Cars with motor equipment are not to be classed as locomotives.

53. FREIGHT-TRAIN CARS.

This account shall include the cost of freight-train cars of all classes, including motor-driven cars, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip them for service, and the cost of inspection and transportation charges to the carrier's line.

LIST OF FREIGHT-TRAIN CARS.

(See general instructions, section 13.)

Ballast (commercial).	Fruit.	Ore.
Beer.	Furniture.	Platform.
Box.	Gondola.	Poling.
Cabin.	Gondola (hopper).	Poultry.
Caboose.	Gondola (long).	Produce.
Charcoal.	Gun truck.	Rack.
Coal.	Hay.	Refrigerator.
Coke.	Lime.	Stock.
Dump (commercial).	Logging.	Tank and water (when used as commercial cars).
Flat.	Oil tank.	

LIST OF APPURTENANCES TO FREIGHT-TRAIN CARS.

(See general instructions, section 13.)

Air-brake equipment, including hose.	Heating equipment.	Train-signal equipment, including hose.
Cooking equipment and utensils.	Ice boxes.	Water tanks.
Cushions.	Lamps and fixtures.	
	Seats.	
	Speed recorders.	

NOTE.—The cost of motor equipment of cars shall be included in account No. 55, "Motor equipment of cars."

54. PASSENGER-TRAIN CARS.

This account shall include the cost of passenger-train cars of all classes, including motor-driven cars, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip them for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF PASSENGER-TRAIN CARS.
(See general instructions, section 13.)

Baggage.	Dining.	Passenger.
Baggage-express.	Express.	Passenger-baggage.
Baggage-mail.	Immigrant.	Passenger-baggage-mail.
Baggage-mail express.	Library.	Postal.
Buffet.	Mail.	Refrigerator-express.
Cafe.	Milk.	Sleeping.
Chair.	Observation.	Smoking.
Club.	Parlor.	Tourist.
Colonist.	Parlor-baggage.	

LIST OF APPURTENANCES TO PASSENGER-TRAIN CARS.
(See general instructions, section 13.)

Air-brake equipment, including hose.	Ice boxes.	Steam-heat hose.
Bedding.	Ice tanks.	Table china.
Chairs.	Kitchen equipment and utensils.	Table glassware.
Coat hooks.	Lighting equipment	Table linen.
Curtains and fixtures.	Mail catchers.	Table silver.
Cushions.	Parcel racks.	Toilet equipment.
Electric bells.	Ranges and boilers.	Air-brake equipment, including hose.
Floor coverings.	Seats.	Water tanks.
Heating equipment.	Speed recorders.	

NOTE.—The cost of motor equipment of cars shall be included in Account No. 55, "Motor equipment of cars."

55. MOTOR EQUIPMENT OF CARS.

This account shall include the cost of motor equipment of all cars, including the wiring for such electric equipment.

DETAILS OF MOTOR EQUIPMENT.
(See general instructions, section 13.)

Batteries, storage.	Generators.	Switches.
Circuit breakers.	Lightning arresters.	Third-rail contact.
Controllers.	Motors.	Trolley poles.
Engines, internal-combustion.	Overload switches.	Trolleys.
	Rheostats.	

56. FLOATING EQUIPMENT.

This account shall include the cost of marine or floating equipment of all kinds except work equipment, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF FLOATING EQUIPMENT.
(See general instructions, section 13.)

Barges.	Lighters.	Steamboats.
Canal boats.	Power launches.	Steamships.
Car and other floats.	Power lighters.	Transfer boats.
Ferryboats.	Scows.	Tugboats.

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LIST OF APPURTENANCES TO FLOATING EQUIPMENT.

(See general instructions, section 13.)

Anchors.	Floor coverings.	Racks.
Axes.	Flue cleaners.	Railings.
Barometers.	Furniture.	Rakes.
Beds and bedding.	Gangplanks.	Rigging.
Binnacle lamps.	Hatchets.	Safes.
Blocks and tackle.	Heating equipment.	Sails.
Boilers and foundations.	Hoisting equipment.	Scales.
Cables.	Hooks.	Seats, chairs, and cushions.
Capstan bars.	Keys.	Shovels.
Carpets.	Kitchen equipment.	Slice bars and pokers.
Charts.	Life preservers.	Spyglasses.
China, crockery, and glass-ware.	Lighting equipment.	Steam distribution systems.
Chromometers.	Linen.	Steering equipment.
Clocks.	Lines.	Telescopes.
Compasses.	Logs.	Ticket cases.
Counters.	Machinery and foundations.	Tool boxes.
Desks.	Masts.	Tools, miscellaneous.
Engines and foundations.	Oil cans.	Tracks on car floats.
Fire buckets.	Pianos and other musical instruments.	Ventilating equipment.
Fire extinguishers.	Pumps.	Wrenches.

57. WORK EQUIPMENT.

This account shall include the cost of work equipment, including motor-driven equipment, purchased or built by the carrier; cost of appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF RAIL WORK EQUIPMENT.

(See general instructions, section 13.)

Air-brake instruction cars.	Gravel cars.	Snow drags.
Ballast cars.	Indicator cars.	Snow plows (moved by but not attached to locomotives).
Ballast unloader cars.	Locomotive tanks used permanently as water cars.	Sprinkling cars.
Boarding cars.	Locomotives.	Steam shovels.
Bridge cars.	Officers' cars.	Steam wrecking derricks.
Business cars.	Outfit cars.	Supply cars.
Camp cars.	Painters' cars.	Sweeper cars.
Cinder cars.	Pay cars.	Tool cars.
Concrete mixers (mounted).	Pile drivers (mounted).	Tool and block cars.
Derrick cars.	Rail saws (mounted).	Water cars.
Dirt spreaders (mounted).	Salt cars.	Weed burners (mounted).
Ditching cars.	Sanding cars.	Wrecking cars.
Dump cars.	Scale test cars.	
Dynamometer cars.	Scraper cars.	
Gas tank cars.	Snow dozers.	
Grading cars.		

LIST OF FLOATING WORK EQUIPMENT.

(See general instructions, section 13.)

Derricks.	Dredges.	Pile drivers.
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APPURTENANCES TO FLOATING WORK EQUIPMENT.

(See general instructions, section 13.)

Anchors.	China, crockery, and glass-ware.	Fire buckets.
Axes.	Compasses.	Floor coverings.
Barometers.	Cushions.	Flue cleaners.
Beds and bedding.	Desks.	Gangplanks.
Blocks and tackle.	Engines and foundations.	Hatchets.
Boilers and foundations.	Fire extinguishers.	Heating equipment.
Cables.		Hoisting equipment.

NOTE.—The cost of motor equipment of cars shall be included in account No. 55, "Motor equipment of cars."

Hooks.
Keys.
Life preservers.
Lighting equipment.
Linen.
Lines.
Machinery and foundations.

Masts.
Oil cans.
Pumps.
Rakes.
Rigging.
Sails.
Seats and chairs.

Shovels.
Slice bars and pokers.
Steam distribution systems.
Steering equipment.
Tool boxes.
Tools, miscellaneous.
Wrenches.

NOTE.—The cost of motor equipment of cars shall be included in Account No. 55, "Motor equipment of cars."

58. MISCELLANEOUS EQUIPMENT.

This account shall include the cost of horses and harness; and cost of wagons, automobiles, and other highway vehicles.

III. GENERAL EXPENDITURES.

The primary accounts of this general account are designed to include expenditures made in connection with the acquisition and construction of original road and equipment, and with extensions, additions, and betterments to road and equipment property, when such expenditures can not properly be included in any of the foregoing accounts as a part of the cost of any specific work. When assignable, such expenditures shall be included in cost of property in connection with which the expenditures occur.

71. ORGANIZATION EXPENSES.

This account shall include all fees paid to governments for the privilege of incorporation, and office and other expenditures incident to organizing the corporation and putting it in readiness to do business; cost of preparing and distributing prospectuses; cost of soliciting subscriptions for stock; cash fees paid to promoters, and the actual cash value (at the time of the organization) of securities paid to promoters for their services in organizing the enterprise; special counsel fees; cost of preparing and issuing certificates of stock; cost of procuring the necessary certificates from State authorities; and other like costs.

NOTE.—Cost of soliciting for loans or for the sale of bonds or other evidences of indebtedness shall be charged to balance-sheet account No. 725, "Discount on funded debt."

72. GENERAL OFFICERS AND CLERKS.

This account shall include the pay and expenses of executive and general officers and of general office clerks engaged exclusively in connection with the construction of new road and extensions.

NOTE.—The salaries and expenses of executive and general officers and of general office clerks engaged in connection with the conduct of commercial operations during the period before the regular operation of revenue trains shall be included in account No. 40, "Revenues and operating expenses during construction."

73. LAW.

This account shall include specific and distinct expenditures, not provided for elsewhere, for law service in connection with the acquisition of new road, road extensions, additions, and betterments, such as pay and expenses of counsel, solicitors, and attorneys, their clerks and attendants, and expenses of their offices.

ITEMS OF EXPENSE.

(See general instructions, section 13.)

Arbitrators' services
in settlement of dis-
puted questions.

Cost of taking depositions.
Cost of testimony.
Costs of suits.

Court bonds.
Court expenses.
Express charges.

NOTE CAREFULLY GENERAL INSTRUCTIONS PAGES 274 TO 280

Fees and retainers of attorneys not regularly employed.
 Law books.
 Legal forms.
 Legal reports.
 Notarial fees not provided for elsewhere.
 Office expenses.

Printing of briefs, testimony, etc.
 Rent of offices.
 Special fees.
 Telegraph service.
 Telephone service.
 Traveling expenses.
 Witness fees not provided for elsewhere.

NOTE.—Court costs and special counsel fees in connection with the acquisition of land for transportation operations shall be included in account No. 2, "Land for transportation purposes."

74. STATIONERY AND PRINTING.

This account shall include the cost of stationery, stationery supplies, postage, office devices, and printed matter used by any class of employees in connection with construction and not provided for elsewhere.

ITEMS OF STATIONERY AND PRINTING.

(See general instructions, section 13.)

Adding machines.	Glass pens.	Postage.
Addressographs and supplies.	Hectographs.	Punches (not conductors' or baggagemen's).
Arm rests.	Indexes.	Rubber bands.
Binders.	Ink for writing and drawing.	Rubber stamps.
Blank books.	Inkstands.	Rulers.
Blotters.	Invoice books.	Ruling pens.
Blotting paper.	Legal cap paper.	Scrapbooks.
Bristol board.	Letter paper.	Sealing wax.
Calculating machines.	Manifold paper.	Seals.
Calendars.	Manifold pens.	Shears.
Carbon paper.	Mimeographs.	Shipping tags.
Cardboard.	Mucilage.	Shorthand notebooks.
Cards, blank and printed.	Mucilage brushes.	Sponge cups.
Circulars.	Neostyles.	Sponges.
Computing tables.	Note paper.	Stamps, impression.
Copy (impression) books.	Notices.	Stylographs.
Copying brushes.	Numbering stamps.	Tablets, blank and printed.
Copying presses.	Oil paper.	Tape.
Crayons.	Paper baskets.	Telegraph blanks.
Cross-section books.	Paper clips.	Time-tables.
Cross-section paper.	Paper cutters.	Tissue (impression) paper.
Cyclostyles.	Paper fasteners.	Tracing cloth.
Dating stamps and ribbons.	Paper files.	Tracing paper.
Dictaphones.	Paper weights.	Twine.
Dictographs.	Papyrographs.	Typewriters and ribbons.
Drawing paper.	Parchment paper.	Wage tables.
Duplicators.	Pencil sharpeners.	Wastebaskets.
Electric pens.	Pencils for writing and drawing.	Water colors.
Envelopes.	Penholders.	Water holders.
Erasers, rubber and steel.	Penracks.	Waybills.
Eyelet punches.	Pens for writing and drawing.	Wrapping paper.
Eyelets.	Phonographs and records.	Wringers for copying presses.
File boxes.	Pins.	
Forms, blank and printed.		
Fuel tickets.		

NOTE A.—The cost of printing bonds, etc., in connection with the carrier's funded debt shall be included in balance-sheet account No. 725, "Discount on funded debt."

NOTE B.—The cost of stationery and printing, when assignable, shall be included in the cost of the property in connection with the acquirement or construction of which the expenditure occurs.

75. TAXES.

This account shall include State, county, township, city, school, road, annual franchise, and all other taxes and assessments levied and paid on property belonging to the carrier during construction and before the facilities are used for commercial operations, except special assessments for

street and other improvements chargeable to account No. 36, "Paving," or No. 39, "Assessments for public improvements."

NOTE.—Taxes during construction, when assignable, shall be included in the cost of the property acquired or constructed.

76. INTEREST DURING CONSTRUCTION.

When any bonds, notes, or other evidences of indebtedness are sold, or any interest-bearing debt is incurred for acquisition and construction of original road and equipment, extensions, additions, and betterments, the interest accruing on the part of the debt representing the cost of property chargeable to road and equipment accounts (less interest, if any, allowed by depositaries on unexpended balances) after such funds become available for use and before the receipt or the completion or coming into service of the property so acquired shall be charged to this account.

When such securities are sold at a premium the proportion of such premium assignable to the time between the date of the actual issuance of the securities and the time when the property acquired or the improvement made becomes available for service shall be credited to this account.

This account shall also include such proportion of the discount and expense on funded debt issued for the acquisition of original road, original equipment, road extensions, additions, and betterments, as is equitably assignable to the period between the date of the actual issuance of securities and the time when the property acquired or the improvement made becomes available for the service for which it is intended. The proportion of discount and expense thus chargeable shall be determined by the ratio between the period prior to the completion or coming into service of the facilities or improvements acquired and the period of the entire life of the securities issued.

This account shall also include reasonable charges for interest, during the construction period before the property becomes available for service, on the carrier's own funds expended for construction purposes.

NOTE A.—Interest on bonds, notes, or other evidences of indebtedness accruing before the proceeds from the sale of the securities become available for use shall not be included in this account; nor shall there be included any interest accruing after the property with respect to which the proceeds are expended is received or becomes available for use in connection with commercial service.

NOTE B.—If any securities which have been issued or assumed by the carrier are sold or exchanged by or for the carrier for a consideration the actual money value of which at the time of such sale or exchange is less than the value of the securities at par and the accrued interest thereon, if any, the difference between the money value of the consideration received and the par value of the securities plus the accrued interest shall be deemed a discount. In no case (except as provided in the third and fourth paragraphs of this account) shall discounts be included as part of the cost of anything charged to any account prescribed in this classification.

NOTE C.—For definition of securities *actually issued*, see Note B, under general balance-sheet account No. 755, "Funded debt unmaturred."

NOTE D.—Whenever interest, premium, or discount assignable to the construction period is incurred in connection with an expenditure covered by some specific road and equipment account or accounts, such interest, premium, or discount shall be charged directly to the specific accounts to which it is related.

77. OTHER EXPENDITURES—GENERAL.

This account shall include all expenditures of a special and incidental nature in connection with the acquisition and construction of original road and equipment, road extensions, additions, and betterments which can not properly be included in any other account in this classification.

INTERSTATE COMMERCE COMMISSION,
WASHINGTON

**In the Matter of a Uniform System of Accounts to Be Kept by
Steam Roads.**

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C., on the 19th day of July, A. D. 1915.

The provisions contained in the Classification of Investment in Road and Equipment for Steam Roads allowing to carriers the option of charging to operating expenses the cost of additions and betterments to equipment or to certain fixed improvements, when such cost shall amount to less than \$200, being under consideration, the following order was issued:

It is ordered, That, effective as of July 1, 1915, paragraph 2 of section 2 of the general instructions for the Classification of Investment in Road and Equipment of Steam Roads, Issue of 1914, be canceled, and that the option allowed to carriers of charging certain costs of additions and betterments to operating expenses, as therein described, be withdrawn.

By the Commission.

GEORGE B. MCGINTY,
Secretary.

INTERSTATE COMMERCE COMMISSION,
WASHINGTON

In the Matter of a Uniform System of Accounts to be Kept by Steam Roads.

At a Session of the INTERSTATE COMMERCE COMMISSION, Division 4, held at its office in Washington, D. C., on the 14th day of January, A.D. 1921.

The matter of establishing the requirement that expenditures by steam roads for additions and betterments up to a certain maximum shall be charged to operating expenses being under consideration:

It is ordered, That the following instructions are hereby prescribed as the second paragraph of section 2, of the general instructions on

page 9 of the Classification of Investment in Road and Equipment of Steam Roads, Issue of 1914:

If the total cost of additions and betterments to any class of equipment, or any class of fixed improvements (except additional, or extension of, tracks), under a general plan, considered as a whole, is less than \$100, the amount expended shall be charged to the appropriate account in operating expenses. This rule is not to be construed as authorizing the parceling of expenditures in order to bring them within this limit.

It is further ordered, That this order shall become effective on January 1, 1921.

By the Commission, Division 4.

[SEAL.]

GEORGE B. MCGINTY,
Secretary.

APPENDIX D

CLASSIFICATION
OF
TRAIN-MILES, LOCOMOTIVE-MILES AND
CAR-MILES
FOR
STEAM ROADS
PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION
IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE

ISSUE OF 1914

Effective on July 1, 1914

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TEXT PERTAINING TO TRAIN-MILE ACCOUNTS

RULES AND DEFINITIONS

1. A *train* is a unit of equipment, or a combination of units of equipment (exclusive of light locomotives), in condition for movement over tracks by self-contained motor equipment. A *locomotive* is a self-propelled unit of equipment designed solely for moving other equipment. A *light locomotive* is a locomotive in condition for movement by its own motor equipment, uncoupled to cars, work equipment, or dead locomotives. A *motor car* is a self-propelled unit of equipment designed to carry freight or passenger traffic, and is not to be considered a locomotive.

2. A *train-mile* is the movement of a train a distance of 1 mile.

3. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as 1 mile.

4. Transportation service train-miles shall be based on the actual distance run between terminals and stations, and shall be computed from the official time-tables or distance tables.

5. Work service train-miles shall be based on the actual distance run between terminals. When work trains are run between terminals and not ordered to work at some specified point or within specified working limits, the actual miles run shall be allowed to them, the same as to any other class of trains. When ordered to run to a certain point to work at that point or within specified working limits, the actual miles made while under running orders shall be allowed, and in addition an arbitrary mileage of 6 miles per hour for the time working at the point or within the working limits named. In computing such arbitrary mileage, fractions representing less than one-half hour shall be disregarded and other fractions considered as one hour. Constructive miles on the basis of 6 miles per hour shall be allowed trains run for the purpose of removing snow when the actual miles of such trains are less than the constructive miles. No record is required of work-train miles on new roads, road extensions, or portions of such roads or extensions, before the commencement of the regular operation of revenue service trains.

6. Each train and each section of a train run by a separate train crew shall be considered a separate train, whether hauled by one or more locomotives either the whole distance or a part of the distance between the train terminals. There shall be nothing added to this distance to cover running of locomotives from enginehouses to terminals, doubling hills, running for water, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains.

7. When the carrier's trains, hauled by its locomotives and handled by its crews, are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run, and classified by it in its train-miles in accordance with the service performed.

8. Separate accounts of train-miles shall be kept for trains hauled by locomotives and for trains moved by motor cars.

TRANSPORTATION SERVICE.

This account shall include the miles of all revenue service trains, including trains which incidentally carry employees or company freight. It shall also include the miles of trains which are operated between terminals or stations to transport company freight, when the service is similar to that connected with the transportation of commercial freight and statistics of ton-miles are kept.

The trains here referred to are those the locomotive and train expenses of operating which are includible in the locomotive and train expense accounts in general account Transportation—Rail line.

801. FREIGHT-TRAIN MILES.

This account shall include miles run by all trains between terminals or stations for the transportation of revenue and company freight, when statistics of ton-miles are kept for the freight thus transported; also miles run by trains consisting of empty freight cars, and by trains consisting of a locomotive and caboose running light in connection with such service.

Trains which regularly contain no passenger service equipment, but upon which passengers are transported in cabooses, or which contain occasionally a car devoted to passenger traffic, shall be classed as freight trains, as shall also trains temporarily using a passenger car in place of a caboose.

Freight-train miles shall be subdivided as follows:

ORDINARY FREIGHT-TRAIN MILES.—Miles run by trains consisting of a locomotive, with or without caboose, with other equipment.

LIGHT FREIGHT-TRAIN MILES.—Miles run by trains consisting of a locomotive and caboose, running light in connection with freight-train service.

NOTE.—Miles run by trains regularly for the transportation of freight, which trains also regularly contain one or more cars devoted exclusively to passenger traffic, shall be classed as mixed-train miles.

802. PASSENGER-TRAIN MILES.

This account shall include miles run by revenue service trains to transport passengers, baggage, mail, milk, express, or any combination of these; also miles run by trains consisting of deadhead passenger equipment. When one or more cars other than regular passenger-train cars are hauled incidentally in a passenger train, the miles run by that train shall be considered as passenger-train miles.

NOTE A.—Miles run by trains regularly for the transportation of passenger traffic, which trains also regularly contain one or more cars devoted exclusively to freight traffic, shall be classed as mixed-train miles.

NOTE B.—This account does not apply to trains run for the transportation of mail or milk upon the basis of authorized tariffs at rates based upon weight. The miles of such trains shall be classed as freight-train miles.

803. MIXED-TRAIN MILES.

This account shall include miles run by trains containing both freight-train cars moved in connection with freight traffic, and passenger-train cars moved in connection with passenger traffic.

NOTE A.—The incidental omission of either freight or passenger cars from a regularly scheduled mixed train shall not change its class as a mixed train.

NOTE B.—The miles of freight trains which only incidentally contain a car devoted to passenger-train transportation service shall be classed as freight-train miles, and the miles of passenger trains which only incidentally contain cars moved in connection with freight transportation shall be classed as passenger-train miles.

804. SPECIAL-TRAIN MILES.

This account shall include miles run by revenue service trains which are

paid for either*on the basis of a rate per train-mile or a lump sum for the train; such as circus and theatrical trains run under contracts calling for payment of specified amounts for transportation between designated stations, and chartered trains for the Federal or State Government carrying troops, munitions of war, camp outfits, etc. In case freight-train cars or passenger-train cars are used to complete a special train, the mileage made by that train shall still be considered as special-train miles.

WORK SERVICE.

805. WORK-TRAIN MILES.

This account shall include miles run by trains engaged in company service, such as official, inspection, and pay trains; inspection trains for railway commissioners for which no revenue is received; trains running special with fire apparatus to save the carrier's property from destruction; trains run for transporting the carrier's employees to and from work when no transportation charge is made; wrecking trains; trains run for the purpose of ditching, filling embankments, and widening cuts; trains run for the purpose of removing snow; trains distributing ties, rails, other track material, ballast, bridge material, and other material and supplies for maintenance or for additions and betterments; trains run for picking up and concentrating such material; and trains run for distributing material and supplies for use in connection with operation.

NOTE A.—The miles of trains running between terminals or stations for the transportation of company freight of which a record of ton-miles is kept, shall be included as freight-train miles or mixed-train miles, as may be appropriate. The expenses of operating such trains shall be included in the locomotive and train expense accounts in general account Transportation—Rail line.

NOTE B.—The accounting for expenses of work-train service shall be in accordance with section 4 (c) of the general instructions of the classification of investment in road and equipment; section 3 (c) of the special instructions of the classification of operating expenses; or the texts of the several superintendence and general expense accounts in Operating Expenses, as may be appropriate.

NOTE C.—No record is required of the miles of construction trains on new roads or road extensions, or on portions of such roads or extensions, before the commencement of the regular operation of revenue service trains.

TEXT PERTAINING TO LOCOMOTIVE-MILE ACCOUNTS

RULES AND DEFINITIONS

1. A *locomotive* is a self-propelled unit of equipment designed solely for moving other equipment. A *locomotive-mile* is a movement of a locomotive a distance of 1 mile, under its own power.

2. In computing locomotive-miles fractions representing less than one-half mile shall be disregarded, and other fractions considered as 1 mile.

3. All locomotive-miles made in hauling transportation service trains shall be based upon the actual distance run between terminals or stations, and shall be computed from the official time-tables or distance tables as prescribed for train-miles.

4. Light-locomotive miles shall be based on the actual distance locomotives run, except that no light-locomotive miles shall be allowed for terminal service where the distance in one direction is less than one-half mile.

5. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.

6. Train switching locomotive-miles shall be computed at the rate of 6 miles per hour for the time actually engaged in such service. In computing such arbitrary mileage fractions representing less than one-half hour shall be disregarded and other fractions considered as one hour.

7. Yard switching locomotive-miles shall be computed at the rate of 6 miles per hour for the time actually engaged in such service. In computing yard switching locomotive-miles, fractions representing less than one-half hour shall be disregarded, and other fractions considered as one hour.

8. Work-train locomotive-miles shall be computed according to the rules prescribed for work-train miles. Miles of work locomotives employed in switching at shops for shop purposes, spotting cars in gravel pits, working with pile drivers, etc., shall be computed upon the basis of 6 miles per hour for the actual time in the service. In computing the time engaged fractions representing less than one-half hour shall be disregarded and other fractions considered one hour.

9. The miles of new or generally repaired locomotives running light in breaking-in service shall not be included in the locomotive-mile accounts.

10. No record is required of the miles of locomotives in construction service on new roads or road extension, or on portions of such roads or extensions, before the commencement of the regular operation of revenue service trains.

11. A separate record shall be kept for miles of steam locomotives and for miles of other locomotives.

12. Miles of motor cars shall not be classed as locomotive-miles.

TRANSPORTATION SERVICE—LINE.

This account shall include the miles run by locomotives moving transportation service trains, and also miles run light in connection with such service.

811. FREIGHT LOCOMOTIVE-MILES.

This account shall include miles run by locomotives in freight-train service. Such miles shall be subdivided as follows:

PRINCIPAL FREIGHT LOCOMOTIVE-MILES.—Miles run by locomotives principal to the train, between terminals or stations, with freight trains; also miles run by locomotives between terminals or stations, with cabooses, going to or returning from such service; and miles run in hauling the second cut of freight trains doubled over grades.

HELPER FREIGHT LOCOMOTIVE-MILES.—Miles run by locomotives as helpers over the division or that portion covered by the run, or on important grades, including double-headers, triple-headers, and pushers, regardless of whether on the head end, in the middle, or on the rear of the train.

LIGHT FREIGHT LOCOMOTIVE-MILES.—Miles run by locomotives light between terminals or stations in connection with freight-train service on account of unbalanced traffic; miles run light for hauling second cuts of trains doubled; miles run light between freight trains and next coaling station or water tank for coal or water; miles run light to pick up or assist freight trains between terminals; miles run light by grade helpers in returning from assisting freight trains as pushers or double-headers; and miles run light by locomotives coming from or going to enginehouses or turntables from freight-train service.

NOTE.—No miles shall be allowed for light movements at terminals if the distance between enginehouses or turntables and freight-train terminals is less than one-half mile.

812. PASSENGER LOCOMOTIVE-MILES.

This account shall include miles run by locomotives in passenger-train service. Such miles shall be subdivided as follows:

PRINCIPAL PASSENGER LOCOMOTIVE-MILES.—Miles run by locomotives principal to the train between terminals or stations, with passenger trains.

HELPER PASSENGER LOCOMOTIVE-MILES.—Miles run by locomotives as helpers over the division, or that portion covered by the run, or on important grades.

LIGHT PASSENGER LOCOMOTIVE-MILES.—Miles run by locomotives light between terminals or stations on account of unbalanced traffic, in connection with passenger-train service; miles run light between passenger trains and next coaling station or water tank for coal or water; miles run light to pick up or assist a passenger train between terminals; miles run light by grade helpers in returning from assisting passenger trains as pushers or double-headers; and miles run light by locomotives coming from or going to enginehouses or turntables from passenger-train service.

NOTE.—No miles shall be allowed for light movements at terminals if the distance between engine houses or turntables and passenger-train terminals is less than one-half mile.

813. MIXED-TRAIN LOCOMOTIVE-MILES.

This account shall include miles run by locomotives in mixed-train service. Such miles shall be subdivided as follows:

PRINCIPAL MIXED LOCOMOTIVE-MILES.—Miles run by locomotives principal to the train between terminals or stations, with mixed trains.

HELPER MIXED LOCOMOTIVE-MILES.—Miles run by locomotives as helpers over the division, or that portion covered by the run, or on important grades.

LIGHT MIXED LOCOMOTIVE-MILES.—Miles run by locomotives light between terminals or stations on account of unbalanced traffic, in connection with mixed-train service; miles run light between mixed trains and next coaling station or water tank for coal or water; miles run light to pick up or assist a mixed train between terminals; miles run light by grade helpers in returning from assisting mixed trains as pushers or double-headers; and miles run light by locomotives coming from or going to enginehouses or turntables from mixed-train service.

NOTE.—No miles shall be allowed for light movements at terminals if the distance between enginehouses or turntables and mixed-train terminals is less than one-half mile.

814. SPECIAL LOCOMOTIVE-MILES.

This account shall include the actual miles run by locomotives in special-train service. This account shall be subdivided as follows:

PRINCIPAL SPECIAL LOCOMOTIVE-MILES.—Miles run by locomotives principal to the train between terminals or stations, with special trains.

HELPER SPECIAL LOCOMOTIVE-MILES.—Miles run by locomotives as helpers over the division, or that portion covered by the run, or on important grades.

LIGHT SPECIAL LOCOMOTIVE-MILES.—Miles run by locomotives light between terminals or stations on account of unbalanced traffic, in connection with special-train service; miles run light between special trains and next coaling station or water tank for coal or water; miles run light to pick up or assist a special train between terminals; miles run light by grade helpers in returning from assisting mixed trains as pushers or double-headers; and miles run light by locomotives coming from or going to enginehouses or turntables from special-train service.

NOTE.—No miles shall be allowed for light movements at terminals if the distance between enginehouses or turntables and special-train terminals is less than one-half mile.

TRANSPORTATION SERVICE—SWITCHING.

815. TRAIN SWITCHING LOCOMOTIVE-MILES.

This account shall include miles allowed train locomotives for performing switching service at terminals and way stations.

816. YARD SWITCHING LOCOMOTIVE-MILES.

This account shall include miles allowed yard locomotives while switching in yards where regular switching service is maintained; also miles of switching locomotives running light between terminals and yards where regular switching service is maintained in connection with switching service in such yards. This account shall be subdivided as follows:

YARD SWITCHING LOCOMOTIVE-MILES.—FREIGHT.—Miles allowed yard locomotives in yards where regular switching service is maintained and in terminal switching and transfer service while engaged in switching cars in connection with the transportation of revenue freight; also miles allowed locomotives in such service while engaged incidentally in switching cars in connection with the transportation of company freight.

YARD SWITCHING LOCOMOTIVE-MILES.—PASSENGER.—Miles allowed yard locomotives while switching cars in connection with passenger-train service.

NOTE.—Where yard switching is performed for both freight and passenger service by the same locomotive, or by locomotives assigned to one yard, a fair approximation of the mileage may be assigned to each service daily or monthly.

WORK SERVICE.**817. WORK SERVICE LOCOMOTIVE-MILES.**

This account shall include the actual miles run by locomotives in work-train service as defined in the classification of work-train miles; also miles of locomotives engaged solely in shop or material yard switching service.

NOTE A.—Miles run by locomotives while engaged incidentally (in connection with regular yard switching service) in switching company material in company shop or material yards, or in switching equipment for repairs between yards and shops, shall be included in account "Yard switching locomotive-miles."

NOTE B.—Miles run by locomotives engaged in shop and material yard switching service, if operated by shop employees, shall not be included in this account.

TEXT PERTAINING TO CAR-MILE ACCOUNTS

RULES AND DEFINITIONS

1. A *car-mile* is a movement of a unit of car equipment a distance of 1 mile.
2. In computing car-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as 1 mile.
3. Separate accounts of car-miles shall be kept for the cars in trains hauled by locomotives and for the cars in trains moved by motor cars. The record of car-miles in trains moved by motor cars shall show separately the miles for motor cars and for cars not thus equipped.

TRANSPORTATION SERVICE.

821. FREIGHT-TRAIN CAR-MILES.

This account shall include the actual miles run by freight and caboose cars in freight trains, or incidentally in passenger trains. Such car-miles shall be subdivided as follows:

- Loaded (run by loaded freight cars).
- Empty (run by empty freight cars).
- Caboose (run by caboose cars).

822. PASSENGER-TRAIN CAR-MILES.

This account shall include actual miles run by passenger-train cars in passenger trains and miles run by such cars incidentally in freight trains. This account shall include the miles of loaded cars and also of empty cars deadheaded in connection with the service, and shall be subdivided as follows:

PASSENGER CARS.—Miles run by all passenger cars, including combination passenger and baggage, passenger and mail, and passenger and express, chair cars, club cars, and other cars in which passengers are carried at regular tariff fares without extra charge for space occupied.

SLEEPING, PARLOR, AND OBSERVATION CARS.—Miles run by sleeping, parlor, observation, and other cars for which an extra fare is charged, directly or indirectly, for space occupied.

DINING CARS.—Miles run by all dining, cafe, and other cars devoted exclusively to the serving of meals or other refreshments.

OTHER PASSENGER-TRAIN CARS.—Miles run by all baggage, combination baggage and express, and combinations of baggage, mail, postal, and express cars, and by all mail, postal, milk, express, and business cars. (This class includes no cars intended for the transportation of passengers.)

823. MIXED-TRAIN CAR-MILES.

This account shall include the actual miles run by cars in mixed trains, as defined in the classification of train-miles. This account shall be subdivided as follows:

Freight cars—Loaded.
Freight cars—Empty.
Caboose cars.
Passenger cars.
Sleeping, parlor, and observation cars.
Dining cars.
Other passenger-train cars.

824. SPECIAL-TRAIN CAR-MILES.

This account shall include miles run by cars in special trains, as defined in the classification of train-miles. This account shall be subdivided as follows:

Freight cars—Loaded.
Freight cars—Empty.
Caboose cars.
Passenger cars.
Sleeping, parlor, and observation cars.
Dining cars.
Other passenger-train cars.

WORK SERVICE.

§25. WORK SERVICE CAR-MILES.

This account shall include miles run by cars in work trains, except by equipment which is designed exclusively for work service, such as snow plows, flangers, derricks, pile drivers, wrecking cranes, tool cars, and camp outfits. (For definition of work train see account No. 805.)

APPENDIX E

RULES
GOVERNING THE
SEPARATION OF OPERATING EXPENSES
BETWEEN
FREIGHT SERVICE AND PASSENGER SERVICE
ON
LARGE STEAM RAILWAYS

ISSUE OF 1920

EFFECTIVE ON JANUARY 1, 1920

It is expected that carriers will first assign to freight service or to passenger service, including allied services, the operating expenses that are directly or naturally assignable and that this direct assignment will be carried to the fullest extent that is practicable, except as stated below, without undue increase in accounting expense. The methods indicated under the various accounts are for dividing the common expenses.

The separation should, as far as practicable, be made by operating or accounting divisions, and the aggregate of the divisional separations reported for the year.

I. MAINTENANCE OF WAY AND STRUCTURES.

201. SUPERINTENDENCE.

Apportion common expenses according to proportions of accounts 202 to 273, inclusive, excluding common expenses in accounts 227-228 and 247-248.

202-226. TRACK EXPENSES, ETC.

It is essential that maintenance of tracks in yards where a separate switching service is maintained be kept distinct from that of other tracks, the expenses of the exclusively freight or passenger yards being directly assigned. The annual report form will provide by means of subaccounts for showing such yard maintenance separately from other track maintenance.

The maintenance of tracks in yards in which a separate switching service is maintained and which are used in common by freight and passenger services should be divided according to the switching-locomotive miles in the common yards. Expenses of all other tracks should be apportioned according to the proportions of accounts 394 to 396, inclusive. The maintenance of road tracks used exclusively by one service should not be directly

assigned to that service unless a corresponding deduction is first made from accounts 394-396 for the fuel or power used on such tracks.

227-228. STATION AND OFFICE BUILDINGS.

Apportion common expenses according to proportions of accounts 202 to 273, excluding common expenses in accounts 227-228 and 247-248.

229-230. ROADWAY BUILDINGS.

Apportion common expenses according to proportions of accounts 202-226.

231-234. WATER AND FUEL STATIONS.

Apportion common expenses according to proportions of accounts 382 and 394 taken together.

235-236. SHOPS AND ENGINEHOUSES.

Apportion common expenses of shops according to proportions of accounts 308, 311, 314, 317, 320, 323, and 326, excluding common expenses in account 326; of enginehouses according to proportions of accounts 388 and 400.

237-246. GRAIN ELEVATORS, STORAGE WAREHOUSES, ETC.

Assign directly or apportion according to facts in individual instances.

247-248. TELEGRAPH AND TELEPHONE LINES.

Apportion common expenses according to proportions of accounts 202 to 273, excluding common expenses in accounts 227-228 and 247-248.

249-250. SIGNALS AND INTERLOCKERS.

Apportion common expenses on basis of transportation service locomotive-miles, including switching locomotive-miles.

251-266. POWER PLANTS, ETC.

Assign according to the facts in individual instances.

267-273. PAVING, ROADWAY MACHINES, ETC.

Apportion common expenses according to proportions of accounts 202 to 226.

274-277. INJURIES TO PERSONS, ETC.

When not determined by facts in individual instances these expenses should be apportioned according to proportions of accounts 202 to 273, inclusive, excluding common expenses in accounts 227-228 and 247-248.

278-279. MAINTAINING JOINT TRACKS, ETC.

Joint facilities should, as far as practicable, be treated individually, according to the use made of them by the reporting carrier, regardless of the nature of their use by other carriers, using the appropriate bases indicated for preceding accounts.

II. MAINTENANCE OF EQUIPMENT.

301. SUPERINTENDENCE.

Apportion common expenses according to freight and passenger proportions of the aggregate of all primary accounts in General Account II, Maintenance of Equipment, omitting common expenses in accounts 301, and 329-337, inclusive.

302-303. SHOP MACHINERY.

Apportion common expenses according to proportions of accounts 308, 311, 314, 317, 320, 323, and 326 combined.

304-307. POWER PLANTS.

Apportion common expenses on basis of power used.

308. STEAM LOCOMOTIVES—REPAIRS.

The division should be actual—that is, the repairs of road locomotives assigned exclusively to passenger service should be kept distinct from repairs of road locomotives assigned exclusively to freight service. In cases in which locomotives are not run exclusively in one service or the other the repairs of each locomotive, or class of locomotives, should be divided according to the mileage of the individual locomotive or class.

Mixed-train locomotive mileage, for the purpose of this account, should be divided on the basis of car-miles in mixed trains.

Repairs of locomotives in yard service should be divided according to the freight and the passenger yard switching locomotive-miles.

309-310. STEAM LOCOMOTIVES—DEPRECIATION AND RETIREMENTS.

Assign directly, as far as practicable, and apportion the unassigned remainder according to the proportions of account 308.

311-313. OTHER LOCOMOTIVES—REPAIRS, DEPRECIATION, AND RETIREMENTS.

Treat in accordance with the methods used for account 308-310, substituting, however, the percentages produced from other than steam locomotives.

314-316. FREIGHT-TRAIN CARS—REPAIRS, DEPRECIATION, AND RETIREMENTS.

Assign directly.

317-319. PASSENGER-TRAIN CARS—REPAIRS, DEPRECIATION, AND RETIREMENTS.

Assign directly.

320-322. MOTOR EQUIPMENT OF CARS—REPAIRS, DEPRECIATION, AND RETIREMENTS.

Assign according to service to which motor-equipped cars are assigned.

323-325. FLOATING EQUIPMENT—REPAIRS, DEPRECIATION, AND RETIREMENTS.

Apportion according to use made of the floating equipment.

326-328. WORK EQUIPMENT—REPAIRS, DEPRECIATION, AND RETIREMENTS.

Apportion common expenses according to proportions of accounts 202 to 273, omitting common expenses in accounts 227-228 and 247-248.

329-331. MISCELLANEOUS EQUIPMENT—REPAIRS, DEPRECIATION, AND RETIREMENTS.

Apportion common expenses according to percentages used to divide common expenses of account 301.

332-335. INJURIES TO PERSONS; INSURANCE; STATIONERY AND PRINTING; AND OTHER EXPENSES.

Apportion common expenses according to percentages used to divide common expenses of account 301.

336-337. JOINT EQUIPMENT AT TERMINALS.

Apportion each class of common expenses on bases prescribed for the corresponding operating expense accounts, as far as practicable. The remainder, if any, should be apportioned according to percentages used to divide common expenses of account 301.

III. TRAFFIC EXPENSES.

351-359. SUPERINTENDENCE; OUTSIDE AGENCIES; ADVERTISING; TRAFFIC ASSOCIATIONS; FAST FREIGHT LINES; INDUSTRIAL AND IMMIGRATION BUREAUS; INSURANCE; STATIONERY AND PRINTING; AND OTHER EXPENSES.

Assign directly, as far as practicable, and apportion the unassigned remainder on the basis of the directly assigned expenses in this general account.

IV. TRANSPORTATION—RAIL LINE.

371. SUPERINTENDENCE.

Apportion common expenses according to freight and passenger proportions of the aggregate of all primary accounts in General Account IV. Transportation—Rail Line, omitting the common expenses in accounts 373, 376, 390-391, 406, 407, 410-417, and 420.

372. DISPATCHING TRAINS.

Apportion common expenses on the basis of transportation train-miles. Mixed train-miles for the purpose of this account should be divided on the basis of car-miles in mixed trains.

373. STATION EMPLOYEES.

Apportion common expenses according to percentages used to divide common expenses of account 371.

374. WEIGHING, INSPECTION, AND DEMURRAGE BUREAUS.

Assign directly.

375. COAL AND ORE WHARVES.

Assign directly.

376. STATION SUPPLIES AND EXPENSES.

Apportion common expenses according to percentages used to divide common expenses of account 371.

377-389. YARDMASTERS AND YARD CLERKS; YARD CONDUCTORS AND BRAKEMEN; YARD SWITCH AND SIGNAL TENDERS; YARD ENGINEMEN; YARD MOTORMEN; FUEL FOR YARD LOCOMOTIVES; YARD SWITCHING POWER PRODUCED; YARD SWITCHING POWER PURCHASED; WATER FOR YARD LOCOMOTIVES; LUBRICANTS FOR YARD LOCOMOTIVES; OTHER SUPPLIES FOR YARD LOCOMOTIVES; ENGINEHOUSE EXPENSES—YARD; YARD SUPPLIES AND EXPENSES.

Assign directly, as far as practicable, and apportion the unassigned remainder in accordance with the freight and the passenger yard switching-locomotive mileage.

390-391. OPERATING JOINT YARDS AND TERMINALS.

Apportion each class of common expenses on bases prescribed for the corresponding operating expense accounts as far as practicable. The remainder, if any, should be divided according to the percentages used to divide the common expenses of account 371.

392-393. TRAIN ENGINEMEN AND TRAIN MOTORMEN.

Assign directly, as far as possible. Apportion expenses for mixed-train service on the basis of car-miles in mixed trains. Apportion other common expenses on the basis of the direct assignments.

394. FUEL FOR TRAIN LOCOMOTIVES.

Assign directly, as far as possible. Apportion expenses for mixed-train service on the basis of car-miles in mixed trains. Apportion other common expenses, which should be relatively small, on the basis of the direct assignment. Any abnormal conditions, such as a widely different price paid for fuel in one service as compared with that in the other, should be noted in annual reports.

395-396. TRAIN POWER PRODUCED AND PURCHASED.

Apportion common expenses according to purpose for which power is used.

397. WATER FOR TRAIN LOCOMOTIVES.

Apportion common expenses according to proportions of account 394.

398-399. LUBRICANTS AND OTHER SUPPLIES FOR TRAIN LOCOMOTIVES.

Observe tenor of directions under accounts 392-393.

400. ENGINEHOUSE EXPENSES—TRAIN.

Expenses at each enginehouse should be divided according to the number of engines handled for each service. Where various classes of engines differ considerably in expense of handling at an enginehouse, an arbitrary should be adopted representing such variation and the number of engines handled modified accordingly. Mixed-train locomotive expenses should be divided on the basis of car-miles in mixed trains.

401-402. TRAINMEN AND TRAIN SUPPLIES AND EXPENSES.

Observe tenor of directions under accounts 392-393.

403. OPERATING SLEEPING CARS.

Assign to passenger.

404-405. SIGNAL AND INTERLOCKER OPERATION; CROSSING PROTECTION.

Apportion common expenses on the basis of transportation locomotive-miles, including switching locomotive-miles.

406. DRAWBRIDGE OPERATION.

Apportion common expenses according to percentages used to divide common expenses of account 371.

407. TELEGRAPH AND TELEPHONE OPERATION.

Apportion common expenses according to percentages used to divide common expenses of account 371.

408. OPERATING FLOATING EQUIPMENT.

Apportion common expenses according to the use made of the floating equipment.

409. EXPRESS SERVICE.

Assign to passenger.

410. STATIONERY AND PRINTING.

Apportion common expenses according to percentages used to divide common expenses of account 371.

411. OTHER EXPENSES.

Apportion common expenses according to percentages used to divide common expenses of account 371.

412-413. OPERATING JOINT TRACKS AND FACILITIES.

Apportion each class of expense on bases prescribed for the corresponding operating expense accounts as far as practicable. The remainder, if any, should be apportioned according to percentages used to divide common expenses of account 371.

414. INSURANCE.

Apportion common expenses according to percentages used to divide common expenses of account 371.

415. CLEARING WRECKS.

Assign directly, as far as practicable, according to service in which wreck occurs and not according to responsibility for wreck. Apportion unassigned remainder according to percentages used to divide common expenses of account 371.

416-417. DAMAGE TO PROPERTY AND DAMAGE TO LIVE STOCK ON RIGHT OF WAY.

Observe tenor of directions for account 415.

418. LOSS AND DAMAGE—FREIGHT.

Assign to freight.

419. LOSS AND DAMAGE—BAGGAGE.

Assign to passenger.

420. INJURIES TO PERSONS.

Observe tenor of directions for account 415.

V. TRANSPORTATION—WATER LINE.

Assign directly as far as practicable. Apportion remainder on appropriate units according to local conditions.

VI. MISCELLANEOUS OPERATIONS.

Observe tenor of directions under General Account V. Transportation—Water Line.

VII. GENERAL EXPENSES.

Assign directly, as far as practicable, and apportion remainder according to proportions of account 201 to 446.

VIII. TRANSPORTATION FOR INVESTMENT—Cr.

The method of deciding upon the amount of this credit will determine the freight and the passenger proportion.

CHARGES AND CREDITS BETWEEN SERVICES.

Carriers in making apportionments under the preceding rules should not, until further notice, make any allowance for the credit that should be given to the freight service for work performed (such as carrying company fuel) for the passenger service and *vice versa*.

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